

HIGHS AND
LOWS IN THE
NEW TV SEASON

Maclean's

HOW MUCH CAN CANADA TAKE?



Ottawa Is Obsessed
With Stacking An
Unpopular Senate.
At Stake: The Role
Of Parliament And
The Fate Of An Even
More Unpopular
Tax. The Country
Murmurs Revolt.
The Seams Of The
Nation Are Stretched





Bell's - The Gentle Scot.



Maclean's

CANADA'S WEEKLY NEWSMAGAZINE OCTOBER 8, 1995 VOL. 103 NO. 41

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COVER

HOW MUCH CAN CANADA TAKE?

Prime Minister Brian Mulroney dusted off a never-used constitutional clause to appoint eight extra senators in a bid to stop the Liberal majority in the upper chamber from killing the proposed Goods and Services Tax. But the Liberals halted proceedings in the Senate, leaving the GST bill in limbo—and adding to Canadians' uncertainty as the economy slips towards a recession. — 18



SPECIAL REPORT

STARTING OVER

After 56 days of anger and threats, the armed standoff with Quebec Mohawks ended with one last burst of violence—but no further loss of life. Now, set against a legacy of bitterness and mistrust, native leaders across the country are looking to governments for a new deal for their people. — 28



TELEVISION

NETWORK TUNE-OUT

After four decades of controlling the small screen, the U.S. networks are battling for their survival. The spread of cable and other viewing options is seriously eroding the audience share of the Big Three, which are fighting back with aggressive schedules to win back TV watchers and advertisers. — 58





The Road To Anarchy

In a book published last year, renowned Yale scholar and political scientist Robert Dahl outlines the age-old appeal of voluntary associations as a system of political organization. Writes Dahl, "One could imagine a society consisting only of purely voluntary associations, a society without a state." Dahl himself does not endorse anarchy, but he points to the powerful appeal of the system: "The philosophical theory of anarchy holds that because states are coercive and because coercion is intrinsically bad, states are inherently evil; and further that states could be—and, as an unnecessary evil, should be—eliminated by replacing them with voluntary associations." Anarchy, as a practical system, has never been tested. And it never should be. But advocates of it may be taking shape in Canada as politicians in Ottawa wrap themselves in their own narrow interests and lose touch with the country.

Ottawa's almost compulsive preoccupation with the Meech Lake process, until it faded, and now with the controversial appointment of new senators to enable passage of the GST, act to mention the cross with the federal confrontation in Que., is creating a sense that the federal government is irrelevant, irrelevant, that is, to the day-to-day concerns of Canadians. Polls show that the government's popularity is at an all-time low. And the unpopularity is not limited to Ottawa. Voters recently defeated Ontario's Liberal government in what appears to have been a simple, unfocused, protest vote. There are indications that the same fate awaits several other provincial governments if their leaders call elections in concertations with Canadians of various backgrounds and in various parts of the country—admittedly a completely unscientific survey—there is a recurrent theme: It is that individuals find they can now protect their own interests better than governments can and, in fact, that government, in the traditional sense, is no longer necessary. It is not anarchy—but it is an exceptionally serious concern.

Karin W. Dyer



Senior Editor Karin W. Dyer, Senior Editor Ron Lowe, photographer

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LETTERS

GETTING ON THE BANDWAGON

Incognititate: Macdon's on a job well done ("The search for solutions," *The Environmentalist*/Special Report, Sept. 17). One could be pious and suggest that you are only following the lead of the people, but hey, the more publicity we have for our environmental problems the better—and you are going a long way. *Harold White, Winnipeg*

Your lead article on the environment begins with a quotation from the Bible stating that man has dominion over nature. However, the scriptural context of "dominion" is not at all to "exploit" or to "assault" nature as suggested in your very first paragraph. Ecological problems are not a consequence of man's proper dominion over nature, as you suggest, but rather of man's greedy exploitation of our environment.

Harry Hamwood, Watkinson, Ont.

Your report prompts me to paraphrase Madonna Rabin's famous statement as she was about to be guillotined: "O Liberty, what crimes are committed in thy name," and say, "O Environmentalist, what environmentalism is committed in thy name." The negative aspect of this environmental push is that the people who are getting it in the neck are the very people who depend on harvesting natural resources for their livelihood: the loggers, miners, fishermen and farmers. What the environmental terrorists are doing to them is criminal.

J. Alphonse Demers, Salmon River, N.S.

It is not just the jobs it suggests that are at stake with the present drive to ban deer-cut logging. Perhaps the people at Macdon's and all other members of the press media should do their part by sending out their resumes to other news media—as recycled paper, of course.

Harriet Davidson, Langley, B.C.

Your articles on the environment caused me to glance back 30 years. As a boy of 16, I recall we were not garbage to be recycled—we recycled ourselves. Leftover food went in the piggies at our hog farm. Newspapers in ferns, beerbottle caps were of linen, not tissue, as were serviettes. Food came in bulk, except for canned and bottled goods, and glass containers held household articles. Old motor-vehicle catalogues hung on bathroom walls. Most items now discarded could be turned to useful purposes—self-cycling.

Stanley Noel Smith, Edmonton



Pangnongtong, N.W.T., Greek publicity

'LOST ALL CREDIBILITY'

By appointing John Buchanan to the Senate, which he is under investigation for "You had an affair," *Concord*, Sept. 24), Brian Mulroney is throwing his vote at Canadians and making the great majority of politicians in this country

who are honest and ethical. His leadership has lost all credibility.

Robert Tavel, Owen Sound, Ont.

BASEBALL MANIA

Even though you made an error in not mentioning the Ottawa Senators (who in the early 1870s among Canada's Triple A-level teams, I thoroughly enjoyed your article about baseball ("A northern love affair," *Special Report*/Baseball, Sept. 24)

Brian F. Sholer, Ottawa

Even if the Blue Jays had in their quest, Canadian fans of professional baseball can rest easy knowing that this season has already produced a championship team. The London Tigers Double A team in London, Ont., was the Eastern League champion. Also worthy of note is the fact that the site of the Tigers' home field, Leabart Park, was selected by the Sports Trust Management Association in 1959 as the top pro ball park in North America. Quality baseball is not limited to the big cities, and the minor leagues does offer good entertainment value.

Jim Chapman, London, Ont.

PASSAGES

DECLARED: Eighty-seventh Olympic competition, Canadian runner **Ben Johnson**, 28, after the executive committee of the Canadian Olympic Association (COA) voted 9 to 3 to reinstate his privileges. "It's our feeling that the public opinion has not suffered the past two years in comparison," said Carol Ann Laidman, president of the COA. The COA decision followed federal sports minister **Marc Lalonde's** announcement in August that he would not renew Johnson's two-year suspension from competition, which ended Sept. 24. Johnson's suspension began after a positive test, taken after he won the 100-m dash at the 1988 Seoul Olympics, revealed that he had taken a banned anabolic steroid.



DEED: Italian novelist **Alberto Moravia**, 82, of a heart attack in his Rome home. Known for his explorations of alienation and sexuality, Moravia was Italy's best-selling contemporary writer. Many of his more than 20 novels became successful movies, including *Romeo of Rome* (1964), starring **Gina Lollobrigida**, and *Two Women* (1966), which starred **Sophia Loren**. Moravia's books appeared in 30 languages and sold millions worldwide.

DEED: **Jarrod Booth**, 9, the boy with a brain tumor from Salt Spring Island, B.C., whose friends asked people around the world to send him enough Christmas cards to secure a place in the Guinness Book of World Records. Booth received 205,120 cards last Christmas and Guinness officially gave him the record last February.

DEED: Former U.S. Democratic National Committee chairman **Lawrence (Larry) O'Brien**, 73, of cancer in hospital in New York City. In 1972, it was the burglary of O'Brien's office that led to the Watergate investigations. O'Brien, who was once postmaster-general of the United States and a former National Basketball Association commissioner, was also a longtime adviser to **John F. Kennedy**. He was with both Kennedy and his brother, **Robert**, when each was assassinated.

DIVORCING: Massachusetts Democratic congressman **Joseph Kennedy**, 58, the eldest child of **Robert Kennedy**, and his wife of 11 years, **Shirley Kennedy Kennedy**, who is now seeking his third term in office, said "Public life is a tremendous toll on your personal life."

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LETTERS

THE FAILURE OF TWO PEOPLES

For too many years, the issue of native rights in Canada has been regarded with indifference by non-natives ("The Story of Oka," *Cover*, Sept. 18). As violence and defeat in the behavior of the *Maliseets* has been, the price is now being paid for decades of neglect.

Steve Stand,
Capitaine, N.W.T.

I hope that Quebec Premier Robert Bourassa's announced intention of "groups of citizens who accept laws they approve and refuse others they do not like" will soon be extended to isolate the perpetrators and perpetrators of French-only advertising.

Emme Mall,
Burnaby, B.C.

If it ultimately becomes an issue of bringing the *Maliseet* warriors to justice, then how will Brian Mulroney and Robert Bourassa and their respective governments be brought to justice? Their insensitive, ineffective leadership at this highly critical time in our nation's history is a previous crime against both Canada and the innocent people of our First Nations.

James Colwell,
Rensselaer, N.S.

North America has evolved a homogeneous continental culture modelled on the degenerate but irresistible ideas of U.S. consumer capitalism. The claims of various linguistic, regional and even racial groups to a distinct identity of some sort run as an epitome of differences that, though real at one time, have become merely superficial. Even at Oka, a *Maliseet* Indian starts wearing designer sunglasses, an ostentatious "turtleneck", a car-polyester T-shirt and blue jeans, with his Oldsmobile lurking in the background, as he casually denounces the pillage of the land by "the white man's industry."

Robert Smith,
Revere, Ont.

While natives claim that the army is provoking them, it is the natives who are screaming crude threats in the faces of the soldiers. That behavior will not prompt Canadians to move these issues to the top of the nation's political agenda. Native objectives would be better served by a public education campaign to foster an aware of the substance and historical basis of their complaints. No doubt natives have many justified grievances, but until they display more emotional and political maturity than we have seen in recent weeks, claims of native sovereignty are difficult to take seriously.

Robert Smith,
Toronto

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LETTERS

RIGHT OVER MIGHT

Barbara Assel's suggestion that we must
"bite the bullet" and use force to maintain
what our ancestors took by conquest is simply a
restatement of the old "might equals right"
formula ("The gun barrel created this land,"
Colman, Sept. 18). Surely, we accept that
people neither in our own country nor at our
judgment of other nations. Rather, "right"
must correct what "might" has bequeathed to us.

Sharon Mery,
Windsor, Ont.

If Barbara Assel really thinks the gun barrel
created this land, someone should remind her
that she is not living in the country of Daniel
Boone and George Custer but in Canada, which
was created through agreement and treaty
between the Crown and the various aboriginal
nations who have helped to define her during
the War of 1812 and through two world wars.

Debra O'Shew,
Toronto

Assel writes that "the gun barrel created this
land." But it is a disingenuous half-truth to say
that countries are simply the result of guns and
military victories. Countries are the creation of
political artists who harness the wills of a
people, with or without artillery. While political
artists, however, realize that a gun is the most
crude and unreliable tool for creating a social
order of peace. Unless each leader emerges from
both sides of the Glas delcible, and quickly, the
military victory of white industrial robots over
black-heretic native cigarette smugglers will
become just another ugly and inconclusive
show of power.

Joe Anderson,
Edmonton

SUPPORT FOR THE NAVY

Peter C. Newman's "The albatross" project
thanks for the cruise ("Business Week,"
Sept. 30, which pertained to Canada's naval
force, was well versed. Our navy should be
under a strong expansion program, especially
for underwater surveillance and protection.
We need to express our own naval policy, and
we require more ships to help police our
coastline waters. And by increasing the naval
reserve, we can give our graduating students a
chance at a career in Canada's finest, pro-
fessional, disciplined and opportunistic
through a training program.

Alan Harvey
Scarleton, B.C.

Letters are edited and may be enclosed. Writers should
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May 28, 1954

Camp Port Antonio, Jamaica

Days: I am completely, totally, unexcused
by this place, these people, especially the area of
imagery that surrounds the moment I ask about
the legend of Tia Maria.

There's more to Grandfather's favorite
liqueur than just legendary taste, I've convinced.
And I intend to find out what it is.
(Andrew)

Tia Maria

The recent discovery of a lost journal sheds new light on the 150-year-old legend of Tia Maria Liqueur. It reveals how, in the early 1950s, an adventurous young woman named Cynthia Andrews wrote on a journey in search of the legend of Tia Maria about her grandfather's favorite.

We share examples of her journal and letters with you here and invite you to taste the legendary Tia Maria Smooth Delicious Liqueur. Straight or over ice.



LETTERS

A DIFFICULT ROAD TO SUCCESS

A two women dedicated to resolving the conflict between work and family responsibilities, we felt it was necessary to comment on "Hiring it all" (Cover, Sept. 3). We are women who definitely have more. But we do not see ourselves as "having it all." We have not been able to overcome discrimination "as a woman." We seriously doubt that anyone else has either. By focusing on the extreme side, you excluded the vast majority of women who do not agree to those heights. The next time you decide to portray the options open to women, why not take a more representative cut of Canadians?

Teresa Russell and Mary Ferguson
Pakenham, Ont.

As a full-time mother with two university degrees, I did not appreciate your calling the article on women executives "Hiring it all." If not being there is held a strong child care tag, then a woman or women's questions thought of at the moment—not necessarily during "quality time"—achieving it all, they can have it.

Ann Windelbank,
Edmonton

I was really disappointed to see in "Fighting sex discrimination" (Cover, Sept. 3) that the Ontario College of Art has decided to endorse Equity 2000, its employment equity program. I am a high-school art teacher who stresses creativity and the expression of emotions above all. It is ironic that people concerned with the arts—the very essence of freedom—should be the ones to impose legal boundaries on who should teach them.

Jeanne Gagnier,
Pawnee, Sask.

CHEATING THE SYSTEM

I have never read a column that so clearly identifies my own views as David Francis's "Give a kinder and gentler system" (Column, Sept. 17). Francis will no doubt be considered way too far right-of-centre by some, but I would rather think of her as just very too right. Though she did not dwell on Canada's institutions of political greed she exposes the flawed thinking that prevails in this country.

Daniel Johnson
Ottawa

David Francis's column about the problems of Canada's social programs is surely a thinly disguised defence of the Goods and Services Tax. Her pretence that the tax is to support health care is shocking. The GST is just another move in the Mulroney Conservative agenda to

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LETTERS

continue shifting the tax burden away from the wealthy to the shoulders of the middle- and lower-income earners. The bill will produce massive inflation, destroy our tourist industry, create a nightmare for small business and further erode honesty in income reporting. But let us leave that. Maclean's had a left-of-center or even a middle-of-the-road columnist? Or how about one who is just objective?

David Bell,
Sarnia, Ont.

I completely agree with Diane Francis. The average Canadian should take a long hard look at himself and ask why he is taking advantage of our social system. This same person would not think of taking money from his friends, but in fact that is just what he is doing when he cheats the system. I used to be proud of being a Canadian. I am not so sure anymore.

Sherr Gilless,
Peterborough, Ont.

While I am inclined to agree with Diane Francis when she complains that too many corporations and others try to beat the government out of collecting tax dollars, I cannot help but sympathize with the Goods and Services Tax could help pay for such a "beloved" benefit as old-age security. Old-age security is not a benefit we get free of charge. If Francis had lived in Canada in the 1960s, she would have entered in her income tax form a line for the old-age security. Later, this security became part of general assistance. Old-age security is a commitment by the federal and provincial governments as much as is the Canada Pension Plan. I contributed to GRS and expect to get my dividends from it. The trouble with too many Canadians, including Francis and Francis-McNeil, is that they don't realize anything about the universality of old-age security. It is a right and belongs to me as a Canadian citizen who has paid for that right.

Margaret Lucas,
Victoria

A DUBIOUS SOCIAL BENEFIT

In your article about prisoners fighting for the right to vote, an Ontario lawyer suggested as saying that voting could help rehabilitate these prisoners and make them good for society as a whole. "A lock on the ballot," *Canada*, Sept. 21. I would beg to differ. Inmates are failures, otherwise, they would not have been imprisoned. I do not understand why it would be better for society to get them to change their minds for the successful outcomes in our nation's governments who rarely get caught, or if caught, rarely prosecuted, or if prosecuted, rarely imprisoned.

A. White Kaskas,
Malibu

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The confusion in people's minds

BY BARBARA AMIEL

I f Conrad Black were not such a wealthy man, he would have a high reputation as a journalist. In recent years he has been excoriated for writing smugly with some irregularity, and it shows in the increasing emptiness of his prose. He may not have yet reached the spine style of an Orwell or G. K. Chesterton—who writing as he did—let be in fact and standards above 96.8 per cent of the journalists in Canada.

The Canadian media has shown at best an indifference to Black's columns (which appeared in *The Globe and Mail's Report on Business Magazine* until Black purchased an interest in the competing *Financial Post*, or more often outright outrage. This attitude has always seemed to me a symbol of one of the basic problems Canada faces. In some obscure way, part of our intellectual development was arrested in the 1960s. In spite of all the changes in the world, including the utter demolishing of socialism, Canada remains a backwater where wealth and success are regarded with suspicion. This is the land, which, until Gorbachev and in spite of Mitterrand, the redmuzzed French socialist president, has elected unrepentant socialists in Ontario and may well do so nationally.

At the base of all this, I think, is a muddle in people's minds about the fundamental relationship between capitalism and democracy. During the 30 years I worked strenuously at CBC and CTV and in Canadian magazines, I quickly came to realize that the belief that capitalism is an essentially an amoral system is a trait of faith in Canadian journalism. Capitalism's advocates are perceived as greedy and selfish. The consequence of this is that the business face of society can only be represented by those against capitalism. In choosing a model government, Canadians believe, better or worse, that they will at least elect people who care.

Doubtless, the early capitalists had necessary traits among them. But to deem capitalism today for its uncaring role makes one post-

While the rest of the world rejects socialism, Canada remains a backwater where wealth and success are regarded suspiciously

Essentially, capitalism is a means of creating wealth. So far, it is the most successful means business society has devised. But it is only a means in the Western world, the end of capitalism has produced a society, as American theologian Michael Novak points out, where caring for others is the central theme of daily life. Socialists may feel "solidarity" with the poor and the disadvantaged. Very nice. But what does that do for the poor? I suspect it is a special privilege of religionists to be concerned with the effect of a policy, only the purity of its intentions.

Capitalism, on the other hand, creates the wealth for social programs, housing, education and better standards of living. But this is often overlooked in assessing its moral role. In a recent poll taken in Britain, people were asked:

"Which society comes closest to your ideal—a society in which the creation of wealth is more highly regarded, or a society in which caring for others is more highly regarded?" The majority of those questioned chose the second answer, the caring society. The pollsters interpreted this to mean that the majority of those questioned held socialist values. Not so. This mischievous confusion between means and ends is a common error. In fact, supporters of democ-

cratic capitalism also hold the caring society as their primary value, just as do Jews, Christians and even those humanists whom Albert Camus called "the tender souls."

A familiar figure to all of us is the wealthy North American capitalist, his million dollars made, asking himself, "What is the point of all this, what is money for?" North America has a whole industry of seminars devoted to the philosophic needs of the aging capitalist, surrounded by his house, swimming pool and materialism. Wealth creation, to quote Novak again, "is an indispensable and high-priority means to a good society—economically, politically, socially and morally—because essentially the alternatives—stagnation and decline—involve much suffering among the poor. Politically, the poor will not love democracy unless they see concrete economic progress in the lives of their own families, socially, its absence breeds class rigidity and families economic instability, morally, because stagnation and decline destroy personal hopes and awaken envy and competitiveness." When people do not live in an open society, they inevitably compare themselves with the haves rather than focus on where they themselves hope to be in 10 years' time.

Democratic capitalism can flourish, of course, only in an atmosphere of liberty. Liberty is the essential component because the real capital of capitalism is human enterprise. Enterprise involves using responsibility for oneself and taking the initiative. In that sense, enterprise is a moral and intellectual virtue on the same footing as probity. The intellectual component of enterprise is called "discovery," and the practical aspect of it is the capacity to execute. As the philosopher John Locke pointed out, the discovery of quinine did more for the lot of poor people than all the virtuous lapses of the world. The humanitarian reformer philosopher Irving Kristol has summed matters up by saying that bad ideas have caused more suffering among the poor than the weather, disease or disease.

All one can try to do as a citizen in Canada, virtually alone in the world, seems to be suffering from a very many attack of bad ideas. Canadian voters seem not to understand that public policy, which represents the human right to enterprise, is an affront against human dignity and economic, political and moral decline. Politicians seek for equality, welfare insurance and mandatory affirmative action quotas do not, ultimately, help the poor or underprivileged, though they may give a short-term glow. They stifle the economic well-being and wealth of a society and send its moral and physical capital.

It may be that Canada must experience the complete stifling of enterprise before its value is truly understood. The election of the size in Ontario is a crucial first step. Meanwhile, it is a shame, I think, that negative attitudes towards wealth and enterprise remain so ingrained in Canada. Canadians may not read Conrad Black, who now lives in England, because they never realized what he stood for and what they were losing when a man of his calibre goes up the back to the wall.

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HOW MUCH CAN CANADA TAKE?

On his way, they walked down the aisle to be sworn in as new Conservative senators. For Prime Minister Brian Mulroney's 13 political fact soldiers, the year revolved around a single issue: ending Liberal control of the upper house and ensuring passage of the government's controversial Goods and Services Tax (GST), which the Senate's Liberal majority was preparing to block. For the most recent senators, their appointments and arrival in Ottawa were arranged in less than 48 hours in order for them to take their seats for the Sept. 25 opening of the fall sitting. Montreal businessman John Lynch-Staunton, whose paternal grandfather was also a senator, did not even have time to arrange for his wife, Juliana, to be in Ottawa for his induction. Another new recruit, Montreal investor and former provincial Liberal cabinet minister Claude Champagne, described his first day in the chamber as "carnage," and wondered the corridors later into the evening ensemble portraits of past speakers of the Senate.

But it was readily apparent that those new recruits would not be enough to break the Opposition's grip on the Senate, introduced during the years of Liberal rule from 1963 to 1984. Just two days later, Mulroney boldly resorted to a seven-seat constitutional provision that added eight new seats to the Senate—and named eight supporters to fill control to the Tories. But Mulroney's convoluted tactic took at the already raw partisan nerves now exposed in Ottawa over the GST, which is intended to replace the existing manufacturer's sales tax (page 22). In the upper chamber, the Liberals, under their crafty leader, Allan Rock, responded with a series of maneuvers that effectively froze the GST legislation indefinitely. "The battle against the GST in the Senate has just begun," said MacEachan. Then, from several quarters, challenges to the constitutionality of the Prime Minister's actions arose. But Mulroney signaled a willingness to fight. Declared the Prime Minister: "What is at stake here is democracy itself and the principle of responsible government—

THE LIBERALS LOSE THEIR SENATE MAJORITY BUT STALL THE GST BY TACTICAL DELAYS

those great ideals were cited frequently during last week's struggle in Ottawa. The Tories attempted to take the high moral ground, arguing that the unelected Senate did not have the right to reject legislation submitted by the elected Commons. For their part, the



Liberals claimed that the opposing of public expenditure to theory and Mulroney's Tories, at a time when the Conservatives had slipped to an all-time low of 19-per-cent support in public opinion polls, had left the Senate as the only body in the country representing the real interests of Canadians. But some analysts noted that both parties were playing with fire. "We are testing the patience of the people," said University of Toronto political science professor Peter Russell. "Even for a good reason, playing with the Senate is an awful device to use. Governments will just increase doubts for governments."

Still, there were compelling signs that many Canadians were willing to turn aside widespread reservations about the role of the upper house and support the Liberal senators' stand against the unpopular tax (page 26). Said Sydney, N.S., Mayor Murray MacDonell: "People are not wondering or worrying about who is playing what political games in Ottawa. They just do not want this tax." Many critics of the tax feared its timing particularly troubling because of Canada's current economic slowdown. Economic analysts noted that, with a recession possible, putting a new, wider-based sales tax into effect on Jan. 1, as the government plans, could further slow consumer spending and hasten a downturn (page 24).

Response: Still, serious issues also arose over the restricted Senate's display of political might—and even Mulroney's extraordinary response in blatantly packing the upper house with supporters. Said Preston Manning, leader of the Alberta-based Reform Party, a vocal proponent of Senate reform: "Mulroney does not appreciate how important this stuff is." But the Reform leaders also accused the Liberals of misrepresenting an critics of the GST while severely engineering it to be implemented. Added Manning, whose party's popular strength has increased dramatically in Alberta and British Columbia largely because of its opposition to the GST: "The Liberals would like to see the Tories get the blame for the tax, while they get the reward from it as if they were a government next time."

Liberals leader Jean Chretien may have been



Mulroney (left) Torontoans signing an anti-GST petition, packing the Senate with supporters to pass the tax bill

forced that suspicion based by stating until last week to declare that he would encourage the Liberal senators to reject the tax. But party strategists said that fines that Chretien would be accused of playing politics with the GST accounted for the delay. And they expressed concern that some Liberal senators could not be counted on to show up to vote against the bill. Said one Liberal MP, who requested anonymity: "Chretien was nervous that he would not be able to get enough votes to make good a pledge to kill the GST. They wanted to say they were sure they could really kill it before they acted."

Obstacles: When the Liberals finally announced their intentions, less than an hour before the Senate's bill voting started on Sept. 25, they placed Mulroney in a prominent political situation. If the Senate-delivered the bill, the Prime Minister, armed with a demonstration of its obnoxiousness on such a fundamental issue, could then have had a stronger case for packing it. He could then have passed the GST legislation through the Commons and taken it to a Tory-dominated upper house—ensuring in the process that the GST passed in time to meet its Jan. 1 implementation date. But that option had one major flaw: having MPs vote against the GST could expose disagreements within the Tory ranks about the unpopular tax. At one

sense Chretien's aide observed: "We would love to have all those western Tories to stand up and vote for the GST all over again."

Yet instead, Mulroney accelerated his counterattack. Senate Tories had previously threatened to invoke Section 44 of the British North America Act, which allows the government to apply to the British monarch to create four or eight new Senate seats. Last week, Mulroney sent a representative to London on a government challenge just. Early on Thursday, he announced that Queen Elizabeth II had approved his request to create eight additional Senate seats. Then, with his mandatory retirement date due on Oct. 20, Alberta Tory Senator Martha Belling stepped down, clearing the way for Mulroney to appoint new senators to one day.

Among them was a former longtime Conservative party national president, now a Toronto lawyer, Michael Meighan, and Winnipeg consultant and Tory lobbyist James Johnson. But they also included a former minister in Premier Robert Bourassa's Liberal cabinet, Theodore Levinson-Strauss, and such bipartisan luminaries as Ottawa heart surgeon Dr. Wilbert Koon. The only issues test for new senators: a resolution to help the Tory government frustrate the Liberal anti-GST strategy in the Senate. The appointments were accepted, and Johnson, be-

cause of the actions of Liberal senators who put do not like being out of power."

Those new appointments brought to 34 the number that Mulroney has made since Aug. 26. That gave the Tories 54 supporters in the expanded, 112-seat upper chamber, barely outnumbering the Liberals' 53. Those numbers shifted the odds in the Tories' favor, but they did not automatically guarantee the GST's passage. For one thing, there are also four Independents, one Independent Liberal and a Reform Party senator, and it was not immediately clear where these votes would go. As well, MacEachan and the Liberal senators had more tactical tricks to keep the GST bill from going to a vote at all.

Chretien worried about the imminent arrival of the final wave of Tory senators, Liberal Senator Royce Frith managed to pre-empt their experience by invoking a little-known procedural tactic. By calling attention to "strangers"—visitors and media—in the Senate galleries, Frith was entitled to force the Senate to call a vote on appointment. But then, as he's trying to call the senators to vote, the Liberals filed out of the chamber—paralyzing it. Later, Frith replaced the Liberals' decision to match Mulroney's Tories' tactic for them. "They used an arcane constitutional provision to say, 'Oh yes, we will,'" he said. "And we need an equally

strange man to say, 'Oh no, you won't.' It all comes back to you as so on the tax."

The Liberal tactic left the opposition in limbo. By convention, the adjournment vote cannot be called until both parties have made the Senate chamber. And even if that happens, explained one official, the GST vote could be delayed indefinitely because the Senate has no time limits on the length of speeches or the overall length of debate. And the officials' "A" motion can be put to rest a last on the debate, but that is still a debatable." As a result, the Liberals could conceivably gain political leverage by threatening to filibuster the GST post the Jan. 3 implementation date.

Meanwhile, challenges to the GST arose from other sources. The Alberta government said that it would go to court to control Ottawa's constitutional right to impose the tax. Some critics also questioned the constitutionality of the government's Senate-packing measures. The B.C. government launched a court challenge to Mulroney's use of Section 26 as the grounds that it was not applicable in the present circumstances. And on Friday, NDP Leader Audrey McLaughlin said that, according to its legal interpretation, the new appointments may have violated the Constitution because they left New Brunswick with more senators (12) than Mrs. (10). The next day, after consulting with government and independent legal experts, Attorney General Kim Campbell said that the new appointees

were "a different kind of senator—a dual-role senator" representing not specific provinces but regions of the country.

For his part, Nova Scotia Finance Minister Gregory Kerr, whose province has not decided whether to join the Alberta court challenge, said, "You have to separate what would be

Clearly, the Liberals in the Senate were not willing to play a passive role. But some analysts said that the Liberal decision to block the tax—end Mulroney's unprecedented response—could actually boost Clark's in the future. As a result of the sudden emergence of a Tory majority in the Senate, the Liberal leader would be almost certain to face similar guerrilla tactics from the Tories if he ever formed a Liberal government. Said Calgary barrister David Bernstein: "We will have government by Senate for the next 10 years, and that is undesirable in a democratic society."

"Crises": But Chretien pointed a different kind of future. He said that the crisis will ultimately fuel the drive for Senate reform—and bring the chamber's days as an unelected body to an end.

"The goal was to defeat the tax, but the consequences were for the senators not to be so secure in their jobs," he told Mulroney. "I wanted to cause a crisis to change the Senate." Liberal strategists

also claimed that the slow Tory majority could be overcome in any post-reform Senate elections. Meanwhile, the unprecedented events left the GST's future no more certain than that of the Senate—the country—said.

BRUCE WALLACE with NANCY WOOD and E. KATE FULTON in Ottawa. RAL KAPLAN in Vancouver, JONN KOWSE in Calgary, DAN BODRE in Montreal and GLEN ALLEN in Halifax.



Christian (left), MacEwen: new calls for Senate reform

perceived as posturing from what is a real possibility of winning a court case." Declared Montreal constitutional lawyer Stephen Scott: "I would have to dig deep into my imaginative resources to come up with grounds to challenge the constitutionality of what Mulroney has done." Still, some experts said that the possibility remained for the public to mount a revolt against the tax. Said Murrain: "It remains to be seen whether or not we are genuinely prepared to be imposed upon."

RIVALS IN THE RED CHAMBER

When the Senate is in session, Liberal Murray cannot escape the stare of his archrival, who sits slouched in the seat directly across the chamber's narrow, redecarpeted aisle. Ever since he became the government leader in the Senate, Murray has been tormented by the tactics of the chamber's Liberal leader, Allen MacEwen. 69 MacEwen's mastery of parliamentary procedure, and his innate willingness to use the Liberal majority to block bills, has consistently annoyed Murray, 54, who is responsible for getting the Tories' legislative program through the upper house. "MacEwen gets right under Lowell's skin and drives him to distraction," said one Tory senator from Atlantic Canada, who asked not to be identified. As a result, Murray was preoccupied among the Conservatives who were trying Prime Minister Brian Mulroney to stick

the Senate with party supporters. And with last week's display of oppositionism, he was a rare—*if* because—sight over his Liberal rival. The two men, who had dinner, at the heart of the latest political clash, share a lively style and a Cape Breton background but rarely—if ever—a social moment. Both publicly refuse a request for work ethics. Murray, who also sits in Mulroney's cabinet as minister of state for federal-provincial relations, unflinchingly describes his 30-year-long relationship with MacEwen as "good." The Liberal leader says simply that his dealings with Murray are "cordial." But privately, colleagues of both men said that the relationship is marked mostly by tension and animosity.

Senior of the distance that Murray and Mulroney hold for MacEwen dates from the time when the two Tories studied at St. Francis Xavier University in Antigonish, N.S. At the time, MacEwen, a former economics professor at St. F-X, was already a powerful Liberal in the region—and he was legendary for his intense personality. That contrast has deepened during frequent battles in the Senate

since the Conservatives gained power six years ago.

MacEwen had begun enforcing caucus discipline on the Liberal senators soon after Prime Minister Pierre Trudeau appointed him to the upper house in June, 1984, after 27 years in the Commons—20 of them as a cabinet minister. As a result, he was ready to mount a strong opposition after the Tories won the September election. Said former Mulroney adviser Dalton Camp: "Allen is the most powerful senator in Canadian history. He was the only one who knew what to do with the Senate's power."

Some Tory senators have complained privately about Murray's inability to match MacEwen's parliamentary skills. But Camp said that Murray is not as free to act as he would like. "Murray has a hard time saying no," he said, "and MacEwen does as he pleases." As last week's events make clear, the Senate's new alignment is unlikely to alter their uneasy relationship.

B. W.

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GST ALTERNATIVES WOULD CREATE OTHER PROBLEMS

Former prime minister John Diefenbaker once said that the method of taxation a government uses is not as important as how much it collects. An Ontario-based tax expert who has been a tough critic of the GST in its first year, says that it is not as important as how much it collects. An Ontario-based tax expert who has been a tough critic of the GST in its first year, says that it is not as important as how much it collects. An Ontario-based tax expert who has been a tough critic of the GST in its first year, says that it is not as important as how much it collects.

The proposed GST, now stalled in the Senate, would replace the existing manufacturers' sales tax and raise roughly \$20 billion a year. While says that the present manufacturers' sales tax, which for most products is 13.5 per cent, is hurting the economy because it is an additional cost burden for exporters of manufactured goods. Since manufacturers of such products would be entitled to a refund under Wilson's GST scheme, they would be able to lower their prices. That should boost sales of Canadian goods abroad.

Finance Minister Mulroney says that the manufacturers' tax is flawed and should be eliminated. But the government's critics, who after alterations ranging from a package of personal and corporate income tax reductions to a single flat tax, insist that the GST is worse than doing nothing at all. Most of all, they say that the GST is unfair. Some groups, including organized labor, say that the proposed levy would shift more of the tax burden away from business and high-income earners, and onto low- and middle-income earners. Adds Neil Brooks, a tax law professor at Osgoode Hall Law School in Toronto: "It is just part of the Conservative agenda to take the rich rider. The wealthy lose consumption taxes." As a result, Brooks and others have urged Ottawa to scrap the GST and, as an alternative, raise more money in personal and corporate income taxes.

Another common complaint about the GST is that it further complicates a tax system that is

already highly complex. Declares Liberal MP Brent Mill, "The GST is the tax that broke the camel's back. It was the last straw." Mills proposes a three-rate income tax that, he says, would be both simpler and lower. Under his proposal, all individuals and corporations would pay 25 per cent of their income in federal tax—a rate that Mills says would yield as much

ing, thereby providing additional capital for economic growth. Perhaps most important from Ottawa's perspective, the tax provides a powerful new vehicle for raising revenues. According to Wilson, the proposed tax would raise nearly \$20 billion of Ottawa's \$11.2 billion in revenues, after paying out \$5.5 billion in rebates and \$1.2 billion in tax credits for low-



Mills on Parliament Hill with anti-GST letters. The tax that broke the camel's back?

money as the current income tax system and the manufacturers' tax combined.

The GST, a seven-per-cent value-added tax, would apply to many goods and services but would exclude basic groceries and other necessities on housing—the two biggest items in most families' budgets. Like Mills, many tax experts and economists agree that there are several reasons why a consumption tax like the GST is useful. For one thing, it would give the government another lever to help it meet its long-term fiscal goals. For another, the GST would help to catch tax evaders who have found ways of slipping past the income tax system. As well, more economists agree that consumption taxes are beneficial because they discourage people from spending and they encourage use

income earners, associated with the GST.

The first value-added tax (VAT) was introduced in France 30 years ago. Similar taxes have since been adopted by 40 countries in the world, including most industrialized countries, except Canada and the United States. Some countries, particularly those in the Third World, favor value-added taxes because they consider them to be more difficult to evade than income tax. Other countries like such taxes simply because they provide a fresh and relatively untapped source of cash. VAT rates in industrialized countries range from a low of three per cent in Japan to a high of 23.5 per cent in Sweden.

From that perspective, Canada's proposed rate of seven per cent is modest. But Canada is

the only major country planning to introduce a national tax on top of an existing sales tax—the provincial levy that exists in all provinces except Alberta. As a result, Canadians, depending on the province in which they live, would pay an effective consumption rate as much as 18 per cent between sales and 18 per cent.

The United States has so far resisted the lure toward value-added taxes. But some experts say that eventually the United States, too, will introduce a national value-added tax. Declares Lester Thurow, an economist at the Massachusetts Institute of Technology in Cambridge, Mass., "After we get serious about the budget deficit, we will have to deal with the trade deficit. And that is when we will introduce a VAT."

Rebuttal: One of the sharpest critics of the GST is that it is a reversal from the system of progressive taxation that Canada has operated under since income tax was introduced in 1917. A progressive tax is one that is levied according to a person's ability to pay. It is based on the premise that high-income earners should pay a greater percentage of their income in tax than those on low incomes. In addition, critics like Mills say that the government has created an elaborate collection and rebate structure that will increase the paperwork for thousands of businesses. The Toronto Star, who does not speak for his party on this issue, argues that the complexity of the tax will encourage businesses and taxpayers to search for ways of evading it.

According to Brooks, the GST is regressive because it will hit the middle-class hardest, the wealthy Canadian. On average, he estimates income on basic necessities and are less able to see than high-income earners. But Wilson maintains that he has built progressively into the system by providing tax credits for low-income earners who receive them for the sales tax they pay. Still, Brooks points out that the proposed tax credits are only partially indexed to the inflation rate. That means that the value of those benefits would decline in future years as prices and incomes gradually increase.

As an alternative to the GST, Brooks has proposed several tax changes: • eliminate the existing manufacturers' sales tax as well as the \$1 billion worth of refundable sales tax credits now distributed by the government. Since the government also pays the manufacturers' sales tax as its own purchases, Brooks says its elimination will reduce government expenditures by \$3.3 billion; • raise an additional \$13.5 billion in personal income taxes by increasing the lowest rate from 17.5 per cent to 24.5 per cent, the middle tax rate from 27.5 to 31.5, and

that families with incomes of \$200,000 would pay just 31.5 per cent of their income in GST, while families earning between \$20,000 and \$20,000 would pay nearly double that, 5.8 per cent. That is because lower income earners usually have to spend a greater share of their



Brooks on agenda to make the GST richer?

income on basic necessities and are less able to see than high-income earners. But Wilson maintains that he has built progressively into the system by providing tax credits for low-income earners who receive them for the sales tax they pay. Still, Brooks points out that the proposed tax credits are only partially indexed to the inflation rate. That means that the value of those benefits would decline in future years as prices and incomes gradually increase.

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the upper rate from 38.5 per cent to 35.1 per cent; • increase excise taxes on tobacco, alcohol and gasoline by \$2.5 billion, to reduce the amount of revenue that would be lost if that manufacturers' tax were removed from those products; • raise corporate taxes by a total of about \$2.5 billion, bringing the total after-tax income to \$14.6 billion.

Other groups, including the Economic Council for Economic Justice and the Canadian Labour Congress (CLC), have proposed alternatives to the GST that include most of the tax changes that Brooks suggests. But they also advocate some form of wealth tax, such as an annual tax on the assets of wealthy Canadians or a one-time tax on substantial assets. Says Denis Hewlett, executive director for the council: "Canada is one of the few countries that do not have a tax on wealth, yet wealth in Canada is distributed even more unfairly than income." For its part, the CLC estimates that the federal government could collect \$2 billion a year by imposing a tax on large inheritances, similar to a tax that currently exists in the United States.

Mills's proposed alternative represents a much more profound change in the tax system. It would force business and industry to pay the cost of the GST. He says that the consequences of the GST have created a flood of support for a radical reform of the tax system to make it simpler. "It is time for a fundamental revision," he says. "We have got to stop trying to run the economy through the tax system." Although Mills has called for a far-reaching reform, his proposal does incorporate a few key elements, including basic personal exemptions and age credits. He says that would ensure that the tax would be progressive. And Mills adds that he would "single tax" proposed would raise enough money to enable the government to phase out the manufacturers' tax in three years.

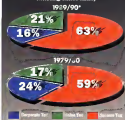
Rebuttal: Although Mills's proposal has not been endorsed by his own party, it has attracted interest from some tax experts. One analyst who has studied the idea is David Perry, spokesman for the Toronto-based David Perry Foundation, a comparative research group headed by accountants. Perry says that while Mills's proposal is radical, it has been carefully thought out. Adds Perry: "We have a tax system in this country that the tax system can provide the state with funds of economic and social problems. It has been in operation over the last 50 years, and it is not going to be easy to change that." Still, Perry says that tax professionals and taxpayers alike would welcome a simpler system. Others, however, say that the flat tax is not as different from Canada's existing tax system that it is usually that any government would try to introduce it.

Perhaps the real issue is whether Canadian taxpayers would find any of the suggested alternatives to the GST more acceptable than the current proposal. Adds an Ontario-based pundit, no tax—regardless of its name—is likely to be applied by the people who are asked to pay it.

BRUNDA BALGACHE

HOW OTTAWA COLLECTS

(Percentage of federal tax receipts, excluding excise taxes)



*Department of Finance, February 1990

*PERCENTAGE OF FEDERAL TAX RECEIPTS EXCLUDING EXCISE TAXES



COVER

A TAXING TIME FOR THE GST

CONSUMERS MIGHT SPEND EVEN LESS

For weeks, customers have been beating a path to William Macgown's power shop in downtown Vancouver. Usually the store is busiest in January, when people who overstep during the Christmas shopping season find themselves strapped for cash. But this time the store is busy because the economy turns sour—and the 43-year-old Macgown says that he has to buy now as he was in the depths of the 1983-1984 recession. Like thousands of other Canadians, those who made their way to his store last week carrying video cameras, recorders, televisions, stereo and jewelry went looking for pain from Canada's current economic downturn. In fact, Macgown says that he has to sell merchandise to choose from that he has levered the profits that he pays for secondhand goods. "The GST would have paid \$1.06 for a year ago, I won't pay more than \$75 for now," he explained. "I can afford to be choosy."

Soundbite: For most other Canadians, however, the current economic outlook is far more

uncertain. Across the country, construction activity has fallen off, housing sales and prices are dropping in most large Canadian cities and consumers are spending less. Economists say that several factors are causing the downturn, including high interest rates, high levels of consumer debt and rising oil prices caused by nervousness over the military buildup in the Persian Gulf. And most experts say that if the proposed seven-per-cent Goods and Services Tax (GST) takes effect, it will depress consumer spending even more. Sam Minsky, chairman, president of the Winnipeg Chamber of Commerce, "The government is implementing that will take purchasing power out of the economy at a time when we are already heading for a recession."

Technically, it is too early to know if Canada is actually in a recession, which economists define as two consecutive quarters of decline in a country's production of goods and services, or gross domestic product (GDP). And even that measure may be unscientifically slanting in

to slow down. Last year, many private economists predicted a mild recession in 1990. But the crisis in the Middle East—and the resulting escalation in prices for crude oil, which reached \$39.77 (U.S.) last Friday, its highest level since March, 1981—have led some forecasters to revise their predictions downward.

According to TD/McGraw-Hill, a Toronto economic research firm, 40 per cent of Canadian companies have already experienced two quarters or more of falling sales. But a 1981 study published at week's end predicted that the Canadian economy will rebound and grow by 3.4 per cent in 1990. Currently, experts are suffering from a dilemma in the U.S. economy, where they sleep more than 75 per cent of their goods, as well as from the high value of the Canadian dollar relative to the U.S. counterpart. At the same time, pessimistic outlooks including slowing some U.S. manufacturers to close their Canadian branch plants, closing job losses and new investment to fall off B.C. forestry companies estimate that every one-cent rise in the Canadian dollar costs them an estimated annual \$100 million dollar of U.S. exports. Declared John Vernon, president of the New Westmarco, B.C., local of the International Woodworkers Association: "We are telling our members to tighten their belts and be ready for a recession."

Although most business leaders say that the GST will weaken demand, however, they are divided over whether the tax should be scrapped. Small-business owners, most of whom have spent little time and money preparing for the new tax, tend to oppose it. They claim that it will lead to higher administrative costs and profits which, in turn, would depress sales. Sam Catharine Swift, chief economist of the Toronto-based, 45,000-member Canadian Federation of Independent Business: "At a time when many businesses are fragile, the GST

Macgown: Answering the prices that he is willing to pay for goods

modern economies, according to some leading analysts. Still, there are signals that a downturn, perhaps of limited duration, may be developing. Between the beginning of April and the end of June, Canada's core inflation, by 0.6 per cent, following a modest growth of 0.3 per cent in the first quarter. Last week, Statistics Canada announced that production remained relatively unchanged in July, edging up by a mere 0.1 per cent. These figures reinforce concerns among many Canadians that after nearly eight years of spending and expanding, the economy has stalled.

After such a prolonged period of growth, many analysts say that it is not unusual for

may be enough to put them over the edge." By contrast, many large companies say that they will lose money—at least in the short term—if the Senate kills the GST. Sears Canada Inc., for one, a Toronto-based department store chain, has already printed 1.6 million copies of its spring catalogue. The prices in the catalogue include the 13.5 per-cent manufacturers' tax, which would depress the GST to implementation. Sears plans to add the seven-per-cent GST when customers pay for their merchandise at the cash register. Said Sears spokesman Ross Rogers: "This uncertainty makes it extremely difficult to make business decisions. If this is not resolved by the end of October we will have to revise our plans."

Cutty: And preparing for the new tax has been even costlier for Hudson's Bay Co., which even defers. Simpsons and The Bay stores. A spokesman for the retail giant says that it has spent between \$4 million and \$5 million upgrading its computers and accounting staff. "Canadian business has spent heavily, ensuring the tax will be passed by Jan. 1," said Christine Karamik, tax manager for F.W. Woolworth Co. Ltd., another Toronto-based chain of retail stores. "Who is going to absorb those costs?"

But even those who support the new tax acknowledge that the economy will suffer some immediate setbacks if it is introduced. The federal government itself has predicted that the tax will raise the inflation rate, which currently stands at 4.1 per cent, by 1.35 per cent in 1991.

Economists say that many consumers, anticipating the higher prices, will simply cut back in their spending plans. The hardest hit businesses will be those that sell necessities

Soundbite: "The average person here is frightened"



or services which are not directly subject to the existing 13.5 per-cent manufacturers' sales tax. They will have no savings to pass on when the tax is replaced by the GST. That category includes the clothing and furniture industry and a wide range of services such as housecleaning and dry cleaning, taxi fares, health club memberships and some legal fees.

Other's own estimates are that the GST will raise the cost of a \$270 television set to \$165.50. Similarly, a \$200 women's winter coat would go up by \$19.80 and a \$100 men's winter coat would go up by \$9.00. On the other hand, a few industries actually expect that their sales would increase under the GST. Speculators for automobile manufacturers and dealers, who are having a tough year because of declining consumer spending, estimate that the effect of replacing the manufacturers' tax with the GST will be to lower car prices by about 3.5 per cent. As a result, they say that car sales will be slightly higher in the first few months of 1991 than they would have been. Indeed, some automobile companies recently cut prices to match the price reductions expected when the GST comes into effect. They did that to discourage potential car and truck buyers from delaying their

SLIDING INTO RECESSION

	1989	1990 (est.)
GDP	+2.9%	+1.25%
JOBLESS RATE	7.5%	8.0%
HOUSING STARTS	215,382	174,000
CAR SALES <small>Index value of new passenger cars</small>	-3.1%	-4.0%

purchases until next year. Still, even the potential wobbles are concerned that the widespread public confusion surrounding the GST could cause consumers to delay or withhold spending completely. Declared Terry Haines, vice-president of 6000 St. Clair, a Montreal branch of Canada Ltd.: "People are not as educated about the GST as we hoped they would be by now. There are a lot of misconceptions."

That uncertainty tends to depress Canadian concern about the health of the economy. Personal and business bankruptcies are rising sharply—to a total of 32,022 between January and the end of August. That is a 37 per cent higher than the number of bankruptcies in the same period a year earlier. And last month, Finance Minister Michael Wilson acknowledged publicly for the first time that Canada may be in a recession.

Those statistics have high impact in all parts of the country. When Martin Stoddard, the 40-year-old credit manager of Woodhouse Furniture in Sydney, N.S., went to work on Sept. 5, he found that the company was shutting down on Oct. 12. Said Stoddard, whose husband, a carpenter, is unemployed: "Right now the average person here is frightened. People are taking their money and leaving it—if they have any." **Timing:** Privately, some senior federal government officials say that there may be a silver lining to the economic clouds. They point out that a recession would lessen the inflationary effect of the GST, because companies will be less inclined to raise prices when demand is already weakening. And, those same officials may have less strength in the September table if the unemployment rate continues to rise—increasing to 8.3 per cent in August from 7.8 per cent in January. Said Sanyal Poddar, a Toronto-based tax consultant who helped finance department officials draft the first proposal: "In the worst case to implement the tax because it focuses businesses to pass on cost reductions."

Many economists say that despite the possibility of recession, the GST is still a necessary measure for the long-term strength of the economy. With the GST, manufacturers will receive a full tax refund for products that they sell abroad—allowing them to lower export prices, which could stimulate sales. "It helps our ability to compete worldwide," Haines said. For some Canadians at least, the GST will have been worth the uncertain wait.

JOHN DUMONT and NAL GUNAWAT
INTERVIEW: RALPH STEVENSON
in Winnipeg: BARBARA WICKENS in Toronto and GLEN ALLEN in Halifax



The Senate: counting on an unpopular institution to kill an unpopular tax bill

STOKING UP THE SENATE

TORIES OVERFILL THE VACANCIES

The appeal was based on lofty principles. In a speech last week to about 3,000 Tories at a federal fund-raising dinner in Ottawa, Prime Minister Brian Mulroney declared that he was ready to use an arcane constitutional clause to attack the Senate with eight additional Tories as an attempt to pass the Goods and Services Tax. Criticizing attempts by the Liberal majority in the re-elected chamber to kill the bill already passed by the Commons, Mulroney declared,

"The issue is about parliamentary democracy and responsible government." Then, the next day, the Prime Minister nominated the new appointees to the Senate for their swearing in. But Winnipeg-based publisher Angus Reid and later that his company's surveys show that Canadians are far more upset about the GST and with Mulroney himself than they are with the powers of an appointed Senate. (Declared Reid: "I don't think Canadians are receptive these days to intellectual discussions about the powers of the House of Commons.") He added, "The public wants the government trying to pass a tax it doesn't want—and it sees the Senate as the group that's going to stop it."

Many pollsters reject widespread public

support for the Senate's GST attack, while public protests against the tax are spreading. A poll taken in May by the Toronto-based Gallup Canada Inc. found that 68 per cent of respondents favored the Senate's blocking the tax, while 22 per cent were opposed and 10 per cent had no opinion—figures that remained fairly consistent from region to region. (Gallup vice-president Lorne Bosoff: "This is as close as you get to unanimous opinion on an issue in this country.") And while there has been no surge poll specifically on the Senate Liberals' blocking the GST since then, Bosoff said that in the wake of Mulroney's recent appointments, opinions against both the GST and the Prime Minister have likely hardened. He added, "Whenever it takes us to kill the GST, the public is going to go for it."

Geddy: Ironically, the public is hating for help to an institution that it also views with suspicion. Several recent polls suggest that a growing majority of Canadians want the existing Senate replaced with an elected body. Still, when it comes to the GST, Canadians appear to view the current unelected Senate as more responsive to their wishes than the Commons—a view that strikes some observers as

a historical oddity. Mead Roger Gibbons, a political scientist at the University of Calgary: "There are very peculiar times when the Senate wraps itself in the flag of democracy."

Project: Meanwhile, one of the most unusual of the numerous anti-GST protests across the country occurred on June 8, when three members of the village council in Estevan, Sask. (population 1200, 40 km east of Saskatoon), declared their community a "tax-free zone." The village will neither pay the GST on goods and services that it buys nor charge it on municipal services. Then, last week, the Prairie region of the Canadian Labour Congress wrote to Liberal Senator Sidney Shickel, chairman of the Senate looking committee, urging him to help kill the GST. Regional director Wes Norman noted that the council had traditionally supported the Senate. But he added, "We never expected them would be a government so at odds with the will of the country."

And in Sackville, N.S., Allan Smith, founder of the anti-GST Taxpayers Council on National Issues, predicted widespread civil disobedience if the GST is passed. Declared Smith: "The middle class has reached a level of tolerance that is too high to bear."

The current showdown has also revealed starkly contrasting outposts of Senate reform. Alberta Premier Donald Getty's Tory government, for one, has championed the so-called Triple E Senate—elected, with effective powers and with equal provincial representation—while strongly opposing the GST. Last week, Getty said that he could not continue as appointed Senate is defying the will of the Commons. Declared Getty: "The Senate has no credibility."

But earlier, his own treasury minister, Dick Johnston, said that he supported the Senate's actions. Opposing the GST, noted Johnston, means that "you had to ally yourself with strong allies."

Opinions are also divided on whether the current debate will ultimately help or hinder the cause of Senate reform. Delorme, for one, said that the uproar "will probably enhance the movement for abolishing the Senate rather than reforming it"—largely because it will have become a public irritant. But Bert Brown, chairman of the Alberta-based Canada as a Committee for a Triple E Senate, cautioned that Mulroney's Senate appointments have slowly resulted in increased memberships for the opposition. Even so, Brown, a longtime Tory, predicted that the greatest impact will be on Mulroney's own Conservative caucus.

"The Prime Minister's actions are like a political accident—earth quake," said Brown. "He is burning and pillaging the last of any respect his Tory party has in Western Canada." If Brown is right, the Tories may have gained control of the Senate last week—but lost the country.

BRIAN BEECHMAN with JOHN ANDRZEJ in Calgary and GARY ALLEN in Halifax

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STARTING OVER

AFTER THE ANGRY STANDOFF AT OKA, INDIANS SEEK A NEW DEAL FROM CANADA

After 78 days of anger, threats and miscommunication, the armed standoff ended with one last burst of violence. At 6:58 p.m. last Wednesday, about 50 Mohawk Warriors, women and chil-

dren once last that the Mohawks claimed developed into a nationwide crisis over Indian land claims and sovereignty. And, more than any other recent event, it has reshaped Canadian history, it sharply underscored the level of frustration among Canada's first people over the perceived unwillingness of governments in Ottawa and the provinces to deal with their grievances. Said Georges Erasmus, national chief of the Canada-wide umbrella group the Assembly of First Nations, "Our demands are ignored when we kick up a fuss—let they are also ignored if we do not."

The summer's swirling images of violent confrontation may have reassured that these demands will now get a higher government priority. But the crisis cast the life of one Quebec provincial politician, Cpl. Marcel LeMay, who was shot in an abusive police attempt to storm the Mohawk barricade at Oka on July 11. And his death will deepen the distrust that already existed between Indians and non-Indian Quebecers (page 32). Over the summer, there was a serious ugly accident as

troop, and the frustration spilled over into increasingly angry anti-Mohawk protests.

As the crisis won't, Indian across Canada renewed demonstrations and temporarily blocked roads and highways to show their support of the Mohawks and to press their own claims. In one case, hydro transmission lines across nature lands in southwestern Ontario were torn down. The anger spilled across the border, adding new fuel to native militancy in the United States (page 34). Still, as the tension rose, the federal government initially remained aloof, in spite of repeated entreaties from both Indian and non-Indian to stop it and attempt to resolve the dispute. Ottawa's position that the confrontations at Oka and on the Merrick Bridge were police matters under provincial jurisdiction provided ammunition for critics who said that the federal government is unable to deal with native issues.

Karicized: Then, on July 20, federal Minister of Indian Affairs Thomas Siddons announced that Ottawa had bought part of the disputed land at Oka and would negotiate to buy the



Siddons (left): Erasmus: Indians remain skeptical of Ottawa's promise of a new agenda



the Indian hold off against police officers and white Quebecers, both at the Oka barricade and in Montreal. There, Mohawks from the Kahnawake reserve south of the city blocked access routes to the Merrick Bridge, one of the main arteries connecting the north shore of the St. Lawrence River to the island of Montreal. That created an immense inconvenience for South Shore residents who commute to Mon-

treuil. That land, he said, would ultimately be transferred to the Mohawks—but only after the Warriors at the barricade had down their arms and accommodated. The armed confrontations continued, however, when negotiators failed to agree on terms for surrender. And, as tensions escalated, on Aug. 17, Ottawa acted on Quebec Premier Robert Bourassa's request to send in the armed forces to maintain the



Soldier (right) detaining a Warrior as the Oka confrontation ended a final burst of violence after a 78-day crisis

peace and to replace Quebec police at the barricade.

Both the Mohawks and white Quebecers mostly welcomed the army's presence. After lengthy negotiations, troops and Mohawks agreed to dismantle the Merrick Bridge barricade on Aug. 29, reopening the busy commuter route to traffic eight days later. But the negotiations at Oka continued to stall over Mohawk demands for territorial sovereignty over their lands and autonomy from any district arising out of the conflict. As the heated talks went on, disputes broke out between Mohawks and troops across the name-sake divide. In one incident on Sept. 8, a Warrior suffered head injuries and facial cuts in a scuffle with two soldiers on a previous reconnaissance patrol. All the Kahnawake reserves, soldiers broke out between Mohawks and troops helping to search for arms caches in the wake of the Merrick Bridge blockade.

Confusion: After the surrender, native spokesmen claimed that the troops had double-crossed them by creating zones and isolating during what was to have been, say Indians, an "honorable disengagement." Said Erasmus: "I am appalled with the way the army behaved. The level of force was completely unnecessary." But army spokesmen said that the soldiers had broken an agreement by coming out to fight in the armed forces to maintain the

peace and to replace Quebec police at the barricade. Individually some of the Warriors, including the group's unofficial leader, Lorne Thompson, slipped away in the confusion that 21 Mohawks men and 14 women were taken into custody at the Parliament army base southeast of Montreal. Eleven of them were quickly charged with a number of offenses in which they played no part, including rioting, assaulting a police officer and possession of a weapon for dangerous purposes. Police were also looking for evidence to support a murder charge in the death of LeMay.

In the aftermath, Prime Minister Brian Mulroney pointed the behavior of the forces. He called the Prime Minister "The rule of law has prevailed. There has been no compromise with those who sought change through armed violence." And he said that Quebecers should be proud of the way the crisis was handled. Said the premier: "I challenge any country in the world to solve such an explosive crisis in such a peaceful way."

As the standoff approached its end, federal officials made several conciliatory statements clearly intended to treat the war into a state of peace and complex negotiations. Said Mulroney: "Canada's aboriginal peoples deserve a special place in this country as our first citizens." The Prime Minister went on to announce that Ottawa will initiate a new agenda to deal with native grievances, promising

to improve conditions on reserves and offering to streamline and accelerate the government's land claims settlement process. The government now has a policy of negotiating no more than one land claim at a time, even though there are hundreds of them, covering more than half of Canada's land mass. As well, Siddons repeated earlier that his department will continue to try to resolve the Kahnawake Mohawks' land claim at Oka. And, noting that the country now faces a need for "healing, learning to trust and restoration of goodwill," Siddons declared, "I hope that we all have learned to have more vision, to have more wisdom."

Adversaries: But many Indians say that, in fact as they are concerned, that is a little hollow, largely because of three frequently adversarial mistakes with the federal government—and because of the increased bitterness caused by the last summer of conflict. Underlying their frustrations with Ottawa is a long-standing distrust of the department of Indian affairs and enmeshment with the department's policies (page 31). Bernard George Watts, chairman of the 16-nation Wah-chin-ah-thai council in Port Alberni, B.C., said a veteran of more than 20 years of dealing with the department: "I am worn out from fighting fights. Every day policy that the government has imposed Indian people with has come out of the department of Indian affairs. Does anyone think they're going

ONE NATION, TWO REALITIES

The 1996 census and statistics from the department of Indian and northern affairs show startling disparities between the social and economic conditions of native and non-native Canadians.

	Registered (Status) Indians	All Canadians
EDUCATION Percentage with less than Grade 9 education	37.2	17.1
INCOME Average adult income	\$9,900	\$16,200
Percentage with major source of income from social assistance	45.6	12.6
HOUSING Percentage of homes housing more than one person per room Percentage of homes without central heating	20.3 23.8	1.8 5.3
SERVICES Per 100,000 population	34.0	14.5
VIOLENT DEATHS Per 100,000 population	157.0	54.3
INFANT MORTALITY Per 1,000 births	17.2	7.9
Life expectancy: For births in 1991		
MALES	65.7	74.3
FEMALES	73.0	81.2

to lead over any power to Indian people?"

Like many Indians, Watts said that he is puzzled by a government department that has two goals that appear to be contradictory. Part of its mandate, he noted, is to support the development of oil, gas, mineral and forest resources in the North. But Watts added, that other branch is left to collect with its other objective: to prevent the lands that Indians claim as their own. At the same time, other bodies claim that the department spends too much of its time and money fighting the very people that it is supposed to represent. Still, Watts said, "I guess the idea that harts the worst is the feeling that they spend on their bureaucracy to fight us on every issue, to fight us in our courts, to divide us and to discredit our leadership."

Inconsistency: Critics also point out that the department has suffered from a frequent turnover of ministers. In the last six years, the portfolio has been held by four men—a sign, they say, that the way may lead to policy confusion and inconsistency. Indian groups have widely criticized Solheim, who resigned the post in February, as ineffective. But Indian spokes-

men and Indian Affairs officials in Ottawa brushed him off for his handling of the Quesbec dispute. In Quebec's native communities, some officials privately nicknamed Solheim "the mule-kick" because, they say, he retreats into a protective shell at the first sign of controversy. Many Indians clearly share that opinion, and they claim that Solheim has made little attempt to understand their concerns. When the minister met with native leaders on Sept. 11, one of the Indians privately called him "the worst cabinet minister we have ever dealt with." That opinion is shared by others. Sen Patrick Sweeney, a 34-year-old native and law student who spent the summer working for Solheim's department, "I have a great deal of difficulty speaking nicely about Tom Solheim."

Department officials acknowledge the troubled history of relations between natives and the federal government. "We are official, who respected sovereignty," said one staff, who pointed out the mistakes made a century ago. "Still, senior department officials say that the Tories have introduced a steady series of measures aimed at satisfying native demands and criticisms. In the six years since the Conservatives came to

power, the amount of money that the department spends on Indian Affairs programs has risen 66 per cent to \$2.4 billion from \$1.5 billion.

As well, department officials note that Indians receive some benefits unavailable to other Canadians. In addition to regular health care benefits, the government also pays the cost of all medical expenses not covered by regular programs—including such items as eyeglasses and prescription drugs. As well, Indians who take postsecondary courses have all of their own covered—including tuition, books, a living allowance and, if necessary, day care.

But Indian leaders and sympathizers say that they largely reject what they regard as a paternalistic attitude towards them by department officials. Declared Robert Epstein, a U.S.-born psychologist who now works in Ottawa as a consultant for native groups, "I think what people don't realize is that Indian Affairs is a determining factor in how Indians are treated in this country." Ethel Blodgett, for one, an Indian who is the Liberal MP for the Western Arctic, said that the federal government is "open to some responsibility" for her people. Declared Blodgett: "Given it to the Indians." She and other native leaders say that, without fundamental changes in the government's approach to them, there will be no solutions to present problems. Added Blodgett, "The government of the century will be the one that gets a handle on aboriginal issues."

Sovereignty: Government officials say that they are well on the way to satisfying some Indian demands for more responsibility. By the end of next year, Indian Affairs officials said, more than 72 per cent of the money spent on the department's programs will be directly administered by Indian band leaders. But, for many Indians, the primary issue is one of political sovereignty. And last week, Mulroney stated categorically that the Canadian government could never concede to those demands. "I will be very clear on that point," he said. "Native self-government does not exist, and cannot ever, unless sovereignty is independent."

Many Indian leaders say that even lesser concessions will not be settled in the present mood of suspicion and anger. That is also a concern that appears to be shared by many whites who were accustomed to sympathy during the Quesbec controversy. The spokesman for some of them to take personal action. David McCamus, for one, president of Inuit Canada, sent private letters to Mulroney and Sinclair after seeing TV coverage of the summit conflict. Wrote McCamus: "We, as a people, have for too long given too low a priority to making long-standing and legitimate concerns of our First Nations." Last week, as he watched TV coverage of the violence during the Mokoluk's narrative, McCamus said, "I do not know who to blame." But he added, "We have to get off our backwards and start going. This is not a job for the police or trial—it is our job."

ANTHONY WILSON-SMITH and
MARCO WOOD are Ottawa staff GUY ROTZKE
in Montreal

SUDEN WEALTH

OIL BRINGS INDIANS MIXED BLESSINGS

The words of a Cree song called *Woman-Fire* (I've heard) ring through the brightly patterned Nijé aboriginal Kikwengweng on the Sarnia reserve, 70 km north of Edmonton. Corresponding Minister (I've heard) on the Sarnia reserve, 70 km north of Edmonton. Corresponding Minister (I've heard) on the Sarnia reserve, 70 km north of Edmonton.



Kindergarten reves on Sarnia reserve: up to \$30,000 payments when they are 16

disgraced ministered with upgrading courses in English and mathematics—as well as courses in Cree language, history and culture. But classroom programs are part of a concerted effort by the Sarnia Cree band to raise education levels on the reserve through a mixture of academic and cultural programs. Said Nelson Potts, vice-president of the college and a Cree Indian, "I want to see Cree cultural values and restore self-esteem. We make them proud to be Indians."

The ability to play educated education programs is only one of the obvious benefits

available to the 3,800 members of the Sarnia band. Since the discovery of oil below local levels in the early 1960s, the Sarnia Cree have become one of the wealthiest Indian bands in Canada. But the reserve continues to experience the same problems that buffet others, among them high levels of alcoholism, drug abuse and suicide. And band leaders lay the blame for these problems on the shoulders of the department of Indian Affairs, which, under Canada's Indian Act, acts as trustee for the oil royalties earned on reserve lands.

Drugs: In particular, they accuse the department of encouraging irresponsibility among

the oil revenues are uncontrolled and "disastrous on the basis of new abuse." Said Buffalo: "The failure of the Indian Act is that it does not recognize the inherent sovereignty of nearly 600 separate Indian nations."

As well, the lawsuit accuses the federal government of financial mismanagement. In the statement of claim, the band declared that between 1972 and 1989, oil royalties generated on reserve land amounted to \$607 million. But between 1979 and 1989, the interest credits paid to the band were based on an average interest rate of 13.7 per cent—compared with the average rate of 18.4 per cent that the band claimed it could have earned under a prudently managed investment plan during that period. As well, the band charges that Ottawa used the trust money for its own purposes—primarily to finance the national debt. "They stole from themselves," Chief Buffalo told *Maclean's*. "I had looked for a vault of cash in Ottawa and I have not found one." But its part, the government has not yet filed its defence in the case.

Still, the Sarnia Cree clearly enjoy the kind of prosperity that chiefs note Canadian reserves. Benevolence is of wealth, the band

has built more than 250 km of roads, several modern housing subdivisions and a large recreation facility on the reserve. It has also given in its extensive commercial housing in Edmonton and Calgary and in a shopping mall at the Rocky Mountain resort town of Lake Louise. The band's \$14-million farm and ranch division operates two self-reliance facilities, has 4,000 acres in crops and recently acquired a 400-head buffalo herd. At the same time, Peace Hills Trust Co., a federally incorporated trust company that the band founded 16 years ago, provides long- and short-term financing and cash-management programs to about 200 native organizations across Canada. Peace Hills Trust last year reported a profit of just over \$1 million.

Cash: But in spite of the band's wealth, Chief Buffalo says that the Sarnia Indians would do better job than Ottawa of managing their own affairs. "We desperately need better cash management programs," he said. Among his priorities, he added, is "bringing to an end the \$30,000 cash payments to 16-year-olds, which he says undermines youngsters' job training while perpetuating social problems on a reserve where 75 per cent of the population is under the age of 21." A lot of the money could be going into long-term projects instead of their budgets, he said. Buffalo said that most members of the Sarnia Cree say that they will be able to achieve their ends only if they can finally restore control of their affairs from Ottawa's domain.

JUDITH KAPLAN is the Sarnia reporter

THE BURDEN OF HISTORY

A LEGACY OF VIOLENCE BREEDS DISTRUST

There is a well-tended memorial in a park in the Montreal suburb of Lac Beauport, not far from the point where the Missouri Bridge crosses the St. Lawrence River from the Kahnawake Mohawk reserve. It is a column, seven feet high, fashioned of grey boulders and bearing a red-and-gold brass plaque. Inscribed on it, in French and English, is an account of an event that occurred on the night of Aug. 4, 1680, when a party of 1,500 Mohawks stealthily pulled across the river. They broke up into small groups, each surrounding the home of a French colonist. Early the next morning, they rose up

again, the enduring public memory of Quebec's violent early history directly linked to the destruction—which themselves added to the distrust that has further poisoned relations between natives and white Quebecers. "Racial memories run deep," said psychologist Robert Epstein, an adviser to the Grand Council of the Crees of Quebec. "The natives remember. I suspect that the whites, especially the French, do as well."

History: The historical arguments supporting that contention are plentiful. Only a decade ago, then-Premier René Lévesque finally moved to conciliate the province's 50,000 na-

tive For Quebec's 8,500 Mohawks, that history is complicated by the fact that their ancestors fought on the British side in the 18th-century conquest of Quebec. And to this day, they have remained English-oriented and overwhelmingly English-speaking—an orientation shared by many other native groups in Quebec. Indeed, although neither the 10,000 Crees nor the 7,500 Inuit of northern Quebec played a role in the colonial wars, both have until recently also tended to speak English—if they speak any language other than their native tongues.

But although language is a factor in the prickly relationship between Quebec and some of its province's natives, relations are also strained between the suburban and French-speaking Indian groups. The Hurons, colonial allies of the French, received hunting and fishing rights in the land's traditional hunting grounds north of Quebec City under a treaty signed with the British in 1766—one year after the fall of Quebec City. But the provincial government established several provincial parks on those lands—and banned hunting and fishing. Last May, though, after an eight-year court battle, the Supreme Court of Canada upheld the natives' rights.

Ames: But if the past tends to keep resurfacing inconveniently, the future promises to be just as difficult. The 16 separate tribal groups in Quebec have registered land claims that amount to as less than 85 per cent of the province. To make matters even more strained, the crisis at Oka and Kahnawake has increased native discontent—and led to a further deterioration in relations between aboriginal groups and the Quebec government. "The Mohawks have not set back decades," said Billy Diamond, chief of the Wapikongit Cree. "The young people, 65 per cent of our population, are fighting mad. Taking up arms has now become an option for many." He added, "If the existing Indian leadership wants to survive, future talks will now have to focus on just three issues: sovereignty, self-determination and self-government."

But the memory of white Quebecers' strong ethnic evocations from the Kahnawake reserve in August is still fresh. That accident provided a signal that even as native anger has grown, so has the resentment among white Quebecers towards Indians. It was a warning for the future—and a reminder that, in many ways, the recent confrontations were only one more stage in the turbulent history of white-Indian relations in Quebec.

BARRY CAME in Montreal.



White Montrealers throwing rocks at Mohawks: "racial memories run deep"

ties and to slaughter the inhabitants. They killed 500 white settlers and captured another 120. From that account, the plaque declares, 1680 began to flow throughout the colony as "the year of the massacre."

Violence: In the 301 years since that night, much has changed along the basis of the St. Lawrence. But there are still French-speaking inhabitants on the island of Montreal—and Mohawks on the southern shore. And, as the shipwrecked in Oka and the Missouri Bridge this summer graphically demonstrated, relations between the two are often rancorous. Indeed, in the opinion of some people of both

groups by changing the name of the large oak park in the Quebec national assembly's entrance from "Les Portes de l'avenir," the Doors of the Future, to "Les Portes de la famille Amérindienne"—the Doors of the Amerindian Family. There are dozens of similar monuments scattered over Montreal and across more elsewhere in the province, each commemorating an early and usually bloody encounter between whites and Indians. "We are all captives of the history of this place," said Martha Monture, a Kahnawake-born Mohawk now practicing law in both Quebec and New York state.

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FOLLOWING THE OKA EXAMPLE

THE WARRIORS INSPIRE U.S. INDIANS

In Washington, three dozen Indians from Maryland's Piscataway Reservation picketed the Canadian embassy, chanting, "Canada take your hands off Mohawk lands" and "Majik led/Right of the thief." On New York City's chic Avenue of the Americas, 500 hard-hatted members of the American Revolution and Continental from Wickers union marched to Indian drums, demanding that the Canadian consulate there work towards a peaceful solution to the standoff at Quebec's Kennebunk and Kahnawake reserves—home to 50 of their Mohawk co-protectors on the city's high steel grounds. And in Minneapolis, another demonstration was more dramatic. There, in the city where the American Indian Movement was born 23 years ago, 40 AIM members and supporters avoided the Canadian consulate in a downtown highway on Aug. 23, waving its official flag and burning it on the street. Said Vernon Bellecourt, an AIM organizer since 1968: "We felt it was the most peaceful and powerful form of protest against what the Canadian government is doing to our people."

In fact, as Indians across the United States mobilized in support of Canada's Mohawks, many say that the crisis rekindled native solidarity on both sides of the border. Said Skip Mahew of the San Francisco-based International Indian Treaty Council: "This is waking the indigenous people down here. People are realizing we've got to come together as a nation and support our relatives." The Treaty Council organized three demonstrations outside the Canadian consulate and helped to coordinate others as far away as Berlin and Sydney, Australia. Declared Bellecourt: "It has energized the fight. I would think you're going to see a lot more action like this."

Ignite: Bellecourt said that the experience may reinvigorate U.S. Indian culture, which has been dormant for more than a decade. He personal pilgrimage to Oka during the summer revived memories of the explorers' native descendants that rocked the United States in

the early 1870s and brought more than 300 people and Martin Brehm out to march to the movement's demands. In an echo of that turbulent time, Bellecourt last week encouraged former Democratic presidential candidate Jesse Jackson to take a film crew to Oka. Despite being temporarily banned from the highways by the army, Jackson and his crew shot scenes for his first syndicated TV talk show, to be



Indians burning Canadian flag in Minneapolis 'revelation'

breakout on cable across the United States. Bellecourt's younger brother Clyde, a Chipewyan from Manitoba's White Earth reservation, helped lead AIM in 1968 to monitor reported police harassment of Indians in Minneapolis. Following the example of the Black overights movement, AIM swiftly grew. Within a year, militants had begun a 19-month armed occupation of Alcatraz Island, offshore from San Francisco. In 1972, Vernon Bellecourt and 400 others took over Washington's Bureau of Indian Affairs headquarters for one week in an

struggle to press native claims. And in 1993, Clyde Bellecourt took part in a 71-day occupation of Wounded Knee, the historic South Dakota battle site where the U.S. Cavalry slaughtered hundreds of Lakota Sioux in 1890. The standoff against U.S. armed personnel carried 32 years later left two Indians dead and one U.S. marshal paralyzed for life.

But as the FBI pursued the AIM leadership and the protest movements of the 1960s faded, many Indian leaders went home to help fight poverty and despair. Suicide and alcoholism rates are soaring among Indians and their average unemployment rate is 45 per cent—and on some reservations as high as 95 per cent, compared with a national average of six. Clyde Bellecourt returned to Minneapolis, where he now works with the city's police to combat violence among Indian street gangs. And Gerald Hill, a veteran of the Alcatraz occupation, armed himself with a law degree before going back to his Turtle Clan on Wisconsin's Ojibwa reservation, where he is part of a team of tribal lawyers fighting challenges to treaty rights. Said Hill: "What Oka does is it wakes us up. They're not using the armed militia against us, but the same kind of thing is happening down here as they try to shut us away our rights."

Fast in fact, the Mohawk standoff at Quebec has galvanized support far beyond the militant Indians. Even the conservative Washington-based National Congress of American Indians—whose more than 500 chiefs have avoided AIM's violence—joined in reading a statement of support outside the Canadian Embassy last month. And on Oct. 12, demonstrators from across the country plan to arrive in the vicinity of Oka. They begin a fast on the steps of the Capitol to focus attention on the ongoing forced relocation of Natives from Arizona's Big Mountain reserve to make way for nuclear exploration.

That larger issue is intended as a dress rehearsal for nationwide native demonstrations scheduled over the next two years to protest the impending 500th anniversary of Christopher Columbus's arrival in North America—an event that Indians regard as tragic. And even after it has ended, the Oka standoff continues to be as thorny to the North American Indian movement. Only hours before the Mohawks' letter was sent behind the razor wire fence, a fire raged from west to west on both sides of the border from Wickers to the Kahnawake reserve south of Montreal. Like an updated version of a tribal war, it called for solidarity in a struggle that a decade had not ended, but which had just begun.

MARCI McDONALD in Washington

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Canadian destroyer *Athabaskan* on its way to the Gulf's straining choppy

WORLD

THE DARKENING CLOUDS OF WAR

The changes, by almost any historical measure, have been stunning for the speed with which they developed and for the profound enmeshments they have achieved. Since Iraq's lightning strike against Kuwait on Aug. 2, Washington and Moscow, which less than two years ago seemed to be implacable enemies, have stood shoulder to shoulder in condemning the invasion. The United Nations Security Council, which only months ago was a largely impotent agency, has extended unprecedented authority. Canada, for the first time since the Korean War, is sending warships and fighter jets to a potential combat zone. The rebel Syrian has joined the U.S.-led multinational force in the Persian Gulf, and the Saudi royal family has

THE UN SECURITY COUNCIL STEPS UP ITS ECONOMIC STRANGLEHOLD ON IRAQ WITH AN AERIAL BLOCKADE

turned on its traditional ally, Jordan. Then, last week, in a breathtaking departure from post-war positions, Japan announced that it, too, will send troops to the Gulf.

The Japanese will perform a strictly non-combat role, providing logistics, communications and medical services. But their deployment, subject to parliamentary approval later this month, reflects a dramatic and fundamental policy departure. Indeed, Prime Minister Toshiro Kishi reassured his constituents and their neighbors, many of whom harbor bitter memories of Japanese aggression in the 1930s and 1940s, that "Japan will never become a military power." Meanwhile, the Security Council tightened its economic stranglehold on Iraq by extending the existing sea blockade to include aerial cargo.

At the same time, the Iraqi government appeared to be desperately seeking new strategies. It threatened foreign diplomats with occasional day curfews to shelter their cars from its military convoys—but then it withdrew the threat after a storm of international outrage. But reports indicated that the thousands of thousands of foreigners stranded in Iraq and Kuwait remained in danger. From Oct. 1, the Kurds said, they would no longer provide foreigners with weapons to buy even basic food rations. Clearly, such a move could lead to mass starvation. A black market does exist, but supplies are severely limited and few foreigners would be able to afford inflated black-market prices. However, on Saturday the government said that, after all, foreigners

would continue to receive the coupons on the same basis as Iraqi citizens.

The Security Council's actions, which approved the aerial blockade by 14 votes to 1 with only Cuba opposed, highlighted what many analysts say was a significant shift in Kremlin policy. "We may break out at the Gulf region, any day, any moment," said Soviet Foreign Minister Edward Shevardnadze. With that, it appeared to warn Moscow's western client, Iraqi President Saddam Hussein, that the Soviet Union was prepared to support the use of un-sanctioned force to secure Iraq's unconditional withdrawal from Kuwait. Said William Quandt, the senior Middle East expert at Washington's Brookings Institution: "It is unbelievable that the Soviets are moving as far and as fast in collaborating with the United States."

The passage of the Security Council's eighth successive resolution condemning Iraq coincided with an extraordinary personal attack on Jordan's King Hussein. Prince Bandar bin Saud, the Saudi ambassador to Washington, condemned Jordan's diplomatic and moral support of Iraq in open letters published in *The Washington Post* and *The New York Times*.

Prince Bandar pointed out that Saudi Arabia had given Jordan billions of dollars in aid over the past 12 years.

The prince also criticized the holding of a conference of radical Palestinian leaders in Amman, the Jordanian capital, in mid-September. He declared, "I hope you are proud of your own friends," Saddam Hussein. Also named: Abu Nidal, George Habash and Nayef Hawatmeh.

Shevardnadze: 'War any day, any moment'



JOHN BIERMAN and RYLAND MACKENZIE in Washington and correspondent reports

would continue to receive the coupons on the same basis as Iraqi citizens. The Soviet government had already expressed its disapproval by cutting off all diplomatic contact for about half of Jordan's diplomats and expelling 30 Jordanian diplomats. Amman responded by recalling its ambassador.

Iraq's threat to evict diplomats who gave sanctuary to Iraqis was contained in an official message circulated to most Western ambassadors (and including Canada). It demanded the names of nationals whose embassies and referred to an Aug. 26 decree making it a crime punishable by death to harbor foreigners. U.S. Secretary of State James Baker said that his government would ignore the note. Said Baker: "We're engaged, and we expect it."

An estimated 4,800 Westerners, including 100 Canadians, nearly all of them men, are trapped in Iraq and Kuwait. Almost two million Asians and Arab foreigners are also in the two countries, but up to 12,000 of them are leaving daily, with most going to Jordan.

After Kishi unveiled the draft legislation to dispatch Japanese troops to the Gulf, he met President George Bush at New York City before embarking on a five-day Middle East tour. Washington's *Washington Post*, in a special capsule of the Gulf situation at the world's wealthiest nations, to provide troops and money to support the Gulf operation. Tokyo had already pledged \$2.15 billion for the multinational force and the same amount to bring water, medicine, food, fuel and other supplies to the suffering economies because of the sanctions. But Kishi stressed that Japan's troops will be under civilian control and will comply with the post-war U.S.-led Japanese constitution, which strictly interpreted Japanese participation in international conflicts.

Meanwhile, in each country, over 100,000 people, which have doubled since the crisis began, Bush announced that he would sell five million barrels from the 595-million-barrel U.S. Strategic Petroleum Reserve. And in Paris, a representative of the International Energy Agency said that it would likely ask its 21 member states to draw on their own reserves. The U.S. reserve account is a key to companies to avoid demand, but experts said that it could have an important psychological effect in stabilizing the market.

Bush also said that there is "no justification" for recent price increases. And a senior White House official, who declined to be named, added, "From a political point of view, as well as an economic standpoint, we cannot let this go on." That attitude may soon also apply to the military standoff that is becoming more dangerous each day as the multinational force in the Gulf grows in strength. The opposing forces include Iraq's growing defense posture. Iraq's growing defense posture.

World Notes

RESTORING DIPLOMATIC TIES

Russia and Iran resumed diplomatic relations, broken by Tehran in March, 1980, after that country's overthrow. Ayatollah Ruhollah Khomeini issued a death warrant against Britain's former Prime Minister, Margaret Thatcher, who died in June, 1980, had accused Ruhollah of blasphemy. Iran in his name. The Soviet Union: The restoration of ties occurred specifically that Russia may now be more secure and that three British hostages held by Iranian-backed Lebanese in Lebanon might be freed.

FURY PROTESTS

Indian Prime Minister Videswarth Pratap Singh appealed for calm and imposed curfews on several cities to contain a wave of violent protests against his Aug. 7 decision to increase the number of government jobs reserved for lower-caste Indians. More than 60 people have died, including at least 13 women in one crowded suicide, two by setting themselves on fire.

AGUANO'S MURDERERS CONVICTED

A Philippine court sentenced an air driver general and 31 other soldiers in life imprisonment for the 1982 murder of opposition leader Benigno Aguano, husband of President Corason Aquino. The court failed to settle the question of who ordered Aguano's killing when he flew home from Manila to challenge then-governor Ferdinand Marcos.

TOWARD AFRICAN DEMOCRACY

Zambia's President Kenneth Kaunda agreed to introduce a multi-party political system, and Zambians' ruling coalition party chose ex-President Robert Mupfema's plan to replace the country's plebiscite system with one-party rule. But leaders, who for years had argued that one-party rule was necessary to prevent tribal warfare, charged course in the face of growing economic difficulties.

ATMOSPHERIC POLLUTION

The British government unveiled a \$61-million package designed to curb pollution of the air, land and water by the year 2000.

RECONCILING OLD ENEMIES

Secretary of State James Baker met Vietnamese Foreign Minister Nguyen Co Thien in New York City in the highest level contact since the Vietnam War. A state department spokesman said that Baker wanted to acknowledge Vietnam's contribution to recent progress towards settling Cambodia's civil war.

THE MIDDLE EAST

A savage struggle

Why disheartened Palestinians support Iraq

It is a ritual played out every afternoon in the narrow, rutted alleysways of Dheisheh, a Palestinian refugee camp five km south of Bethlehem. As the sun starts low over the makeshift concrete-block houses, a ragged band of boys, some as young as 7, gather for a dangerous game of rat and mouse with parrying Israeli troops. They lie on their sides, then jump out and head for the sand dunes in their direction. The Israelis advance cautiously, then fire off a volley of rubber bullets. The Palestinian scatter, regroup at another corner—and the ritual goes on. Celebrations like this one at Dheisheh last week have been routine since Palestinians began their intifada, or uprising, 33 months ago against Israel's occupation of the West Bank and Gaza Strip. But the young stone-throwers say that they have a new source of inspiration since Iraq President Saddam Hussein's troops crossed Kuwait on Aug. 2: "We are all with Saddam," declared a 19-year-old youth named Mahmoud, holding a rock in each hand at Dheisheh. "He is showing us how to stand up."

Both within the occupied territories and in neighboring countries, Palestinians have been quick to adopt Iraq's cause as their own. Dis-

heartened by the Palestine Liberation Organization's failure to win any concessions from Israel in return for moderating its policies two years ago, they have turned to Saddam Hussein as their newest hope for a strong Arab leader. At the same time, however, the PLO's tacit support for Iraq has cost the organization critical financial aid from Saudi Arabia and other Gulf states. And moderate Palestinian voices condemn that the PLO has forfeited foreign political backing at a time when the intifada had gained a strong measure of Western popular support. "We are scoring losses on all fronts," declared Sam Husein, a professor at the 2nd University on the West Bank. "So far, it is a terrible disaster for us."

But that view is rare among PLO leaders or young street fighters in the refugee camps. The refuge at Dheisheh, opened in 1956 to house Palestinians who fled from Israel when the Jewish state was founded, has been rebuilt over the years into a tightly packed complex of shabby dwellings housing 7,000 people. Since the intifada began in December, 1987, the people of Dheisheh have been engaged in almost constant conflict with Israeli forces. Although the daily stone-throwing scenes

Palestinians in Amman burning U.S. flag: fears of terrorist attacks

sometimes take on the appearance of a game, it can be a deadly one: seven people in Dheisheh, aged 14 to 35, have been killed in clashes with soldiers since the intifada began. In the living room of her family's house in the camp last week, 25-year-old Iman Salehah displayed a half-inch-long tear-rubber bullet from an Israeli soldier's rifle that she wounded her sister in the leg. "We have nothing to fight back with and people were very frustrated," she said. "But now they say a strong Arab country [Iraq] that will stand up for us."

In neighboring Jordan, where 3.2-million Palestinians are 53 per cent of the population, Saddam Hussein has won even more enthusiastic support. In refugee camps there, Palestinians wear Saddam buttons on their shirts, display an portrait in their car windows and collect money to send food to Iraq. In Iraq's capital, 30 km north of the capital, Amman, the 100,000 residents donated the equivalent of \$20,000 in cash and gold jewelry to aid Iraq. Last week, a convoy of more than 30 trucks loaded with food donated by Palestinians in Jordan headed to Baghdad as volunteers of the United Nations' economic blockade of Iraq.

Elsewhere, Palestinians in the West Bank and the Gaza Strip staged a one-day general strike last week in support of Iraq. And the PLO leadership has lifted decidedly towards Hussein. Officially its leaders say that they want to continue in the dispute and some have called on Iraq to withdraw from Kuwait. But, given the enthusiasm of so many ordinary Palestinians for the Iraq cause, PLO leaders reserved their harshest criticism for the American-led multinational force in the Gulf.

That has brought a high cost to the Pal-



estians in Arab countries who are now fiercely opposed to Iraq. The Gulf states, which have given the PLO hundreds of millions of dollars' worth of direct financial aid and have also imposed a five-per-cent tax on the salaries of Palestinian workers on behalf of the PLO, sharply ended their payments. Saudi Arabia tightened its controls on Palestinian visitors to live in the kingdom. And the Gulf emirate of Dubai would not even let PLO leader Yasser Arafat leave his private plane when it stopped there for refueling in early September.

Betwixt the Palestinians' support for Hussein, which ranges from general sympathy to fervent support, lies a latent uneasiness, against what they regard as the leadership of Western governments to press Israel even further to cede control over the occupied territories. In November, 1988, the PLO renewed its basic strategy of a negotiated settlement in Algeria. It abandoned its previous, acknowledged goal of the right to exist and sought talks with both American and Israeli officials. But PLO leaders now say that those concessions have brought them no gain, and Israel continues to suppress the intifada, which has cost the lives of about 900 Palestinians and 44 Israelis. Last week, the conflict was focused in the Gaza Strip. In the week of the Sept. 26 killing of an Israeli reserve soldier by a Palestinian, Israeli troops cracked down in the area and destroyed 33 Palestinian homes and shops in retaliation.

That crackdown appeared to deter many


Palestinian leaders—and Hussein's confidence with Western forces appeared to convince them anew that only Israel will work. Mahmoud Mubaleh, a member of the PLO's executive committee, declared in an interview in Amman last week how his views had changed: "We met all the conditions that the world wanted us

Jordan's King Hussein (left) with Arafat: the PLO has just support

to meet for negotiations in 1984," he said. "But we have not moved an inch towards a solution. The Palestinians are reviewing their basic strategy because the world has not been listening to them."

Mubaleh, when the Israeli government expelled him from the West Bank to Lebanon in 1980, had been regarded as a leading PLO moderate.

successor, Crown Prince Hassan, declared that "Jordan's fate itself now may well be at the heart of the Gulf crisis."

Even before the crisis erupted on Aug. 2, Jordan was struggling with significant economic problems. The country has not oil of its own and an annual per-capita income of just \$2,726. Early last year, an economic austerity program, imposed as a result of its agreement with the International Monetary Fund, led to violent riots. The economy later improved and the unrest subsided. But the unexpected blockade of Iraq played Jordan into crisis.

Jordanian leaders agreed to respect the embargo, cutting off almost all trade with Iraq and Kuwait. In addition, Jordan has an embargo to limit resistance payments sent home by Palestinians working in Kuwait and Iraq, and a bill of \$25 million for dealing with the tens of thousands of refugees who have flooded into the kingdom. Jordanian officials estimated the total loss over the next 12 months at \$24 billion—and predicted severe domestic unrest as their country receives rapid economic aid

But in his Amman office last week, he spoke angrily about the way he regarded the behavior by both Western countries and Arab states opposed to Iraq, including Saudi Arabia and Syria. "I'd like to see Saddam take over the whole Arab world and unite it, and then I can go home to Palestine," he declared. "It has become terribly clear that the world respects only strength. Whether you are an enemy or not, we don't give a damn anymore."

Such inflammatory language has raised fears of an upsurge in terrorist acts by Palestinian groups, especially if Western forces attack Iraq. At the same time, it has been greeted with glee by many Israelis, who say that Palestinians leaders are revealing their true radical colors by supporting Iraq. And it has alienated many moderate Palestinians, especially those at the Israeli-occupied territories. The late Conservative MP Sir Kenneth Robinson, who visited Sir Hussein's San Husein's and told militant Palestinians, warning the young stone-throwers in Dheisheh camp, not condemning any gains won during their uprising if they put their hopes on Saddam Hussein.

"The intifada made people have realize that they had to do things themselves," said Mubaleh, "but now they are again looking to the outside, to Saddam, for a savior." He added: "Whether there is war or peace, it looks as though we will be the losers."

ANDREW PHILLIPS in Dheisheh

A HOSTAGE KINGDOM

Jordan's leaders have traditionally been aware that their little country is surrounded by richer and more powerful neighbors. And the Gulf crisis has underlined just how vulnerable Jordan has become. The kingdom may lose more than half the value of its external output by next August if the United Nations' economic sanctions against Iraq, Jordan's biggest trading partner, continue. Meanwhile, efforts by Jordan's King Hussein to mediate in the dispute have failed. On Sept. 26, Saudi Arabia, angered by Hussein's failure to live up behind efforts to force Iraq out of Kuwait, sharply cut off half of Jordan's oil. Last week, as Jordanians began to hoard gasoline and fuel oil, their leaders warned that they face a potential economic disaster: Hussein's younger brother and chosen

Then Saudi Arabian leaders cut off oil, which it had sold to Jordan before the world panic, saying that the kingdom had failed to pay for matter of deliveries. But they quickly followed that action by announcing the expulsion of 20 Jordanian diplomats, and there seemed little doubt that they would go on to punish Jordan for its slow-straddling position at the Gulf dispute. Said government officials who objected to Jordan's decision to allow withdrawal of Iraqi troops appeared to the foreign ministry presence in the Gulf to meet in the country's capital, Amman, in mid-September.

The oil cutoff will cost Jordan tens of millions of dollars as it is forced to replace relatively cheap oil pumped in through the Trans-Arabian Pipeline with world-price oil sent through the port at Haifa. It was another sign of the high price that Jordan is paying for King Hussein's attempt to be everyone's friend—but no one's ally.

A.P.

THE SOVIET UNION

Rumors of an overthrow

Legislators hand Gorbachev sweeping powers

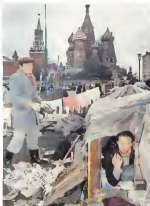
For Mikhail Gorbachev, last week's session of the Supreme Soviet served as a backdrop for a brilliant exercise in political maneuvering. For one thing, by a vote of 323 to 31 (with 246 abstentions), legislators supported the president's urging to switch the country's long-critically planned economy to a market system. And last the same day, the deputies again voted overwhelmingly in favor of Gorbachev's second request: they granted him sweeping powers to implement economic changes. The initial vote, reminiscent more than 70 years of Communist dogma, was conducted in near-silence within the marble hall of the Supreme Soviet. But outside the Kremlin walls, many consumers lining up for sugar and other scarce goods reacted to Gorbachev's two triumphs with skepticism—and some apprehension. Said 53-year-old state teacher Nadezhda Ruzavayeva: "We have been waiting for economic reform for at least a year and nothing has happened. Now we apparently need an all-powerful king to make sure it does."

With his new powers, Gorbachev will be able to set the national budget, maintain public order and fix wage and price rates by decree for the next 18 months. In fact, last Thursday he issued his first decree, giving government ministers one month to provide sufficient funds and materials to increase production in such key areas as medicine, raw materials and machinery parts. But Gorbachev faces some critical challenges. The Soviet Union still has only a sliver of a market economy. That is because Gorbachev is still straining to combine elements of two dunderdog plans by Oct. 15. One, by Moscow economist Stanislav Shatalov, would eliminate the centrally planned system within 500 days. By contrast, a more conservative approach by Prime Minister Nikolai Rybikov would retain a large measure of government control over the economy.

Gorbachev also faces the Soviet Union's 15 increasingly assertive republics, which are striving for more economic and political autonomy. In fact, Boris Yeltsin, the president of the Russian Federation, has already said that he will implement the Shatalov plan—without qualifications. As a result, the prospect of another clash of wills between the Soviet

Union's two most prominent leaders noticeably increased tension in a capital already restless because of persistent rumors that the Soviet Union was about to experience its first military coup.

To stop the rumors, Defense Minister Dmitry Yazov appeared before Soviet legislators last week and denied that army officers were



Protesters in shelters near the Kremlin fearing price hikes

plotting to overthrow the government. Yuzov denies that four paratroop regiments and two separate paratroop divisions had recently been deployed to the Moscow suburbs, but he insisted that the soldiers were preparing for a Nov. 7 parade commemorating the 1917 Bolshevik Revolution and helping farmers to gather a record harvest.

Last week, Yeltsin said that he would start implementing Shatalov's 500-day program on Nov. 1. With that, he will try to transform

Russia, the largest of the republics, with 148 million people, into a nation of shopkeepers, small businessmen, private farmers and even stockholders. According to Shatalov, a 56-year-old academic who describes himself as a social democrat, his plan is an attempt to create a "normal economy, rather than the economy of shortages and distorted markets as which we lived for 72 years." To that end, Shatalov will replace the Soviet Union's largely inefficient collective farm system with 150,000 private farms. Then, he will privatize state-held enterprises. And, finally, he will encourage Soviet citizens to invest the roughly 300 billion rubles (\$140 billion), which they now save at home, in these enterprises.

Unlike Yeltsin, however, Gorbachev has objected to some of Shatalov's more drastic proposals, among them private land ownership and the lifting of price controls on all but a few consumer goods, including bread and salt. In a candid statement last week, Gorbachev's adviser Nikolai Petrovich acknowledged that the government did not have the popular support to make such drastic moves to a market economy. Said Petrovich: "The people would not stand for sharp price increases."

Confirmation of that assertion could be found about 400 m from the Kremlin's gleaming towers, near the Hotel Moskva. There, on the giant building's rooftop lawn, about 30 protesters have been gathering daily around a ragged collection of placard-covered shelters in an effort to get officials to address their grievances. One of those demonstrators, 49-year-old Anna Brantko, said that she lost her job as a street cleaner because she refused to pay a kickback to her supervisor. "How will we poor people live in a market economy?" asked Brantko. "We can scarcely buy bread and milk now and we will surely starve if food prices rise."

That is also an evident concern to the Soviet president with his newly augmented powers. To be sure, the Shatalov and Rybikov plans offer protection for the poorest members of society either through subsidies or price freezes on basic goods. But these proposals are still contested in a country that has excelled at producing wildly optimistic plans. Now, as a result of Gorbachev's successful political actions, his political future is finally tied to the central aim of those conflicting perceptions: a revival of his country's ailing economy.

MALCOLM GLAY is in Moscow

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SOUTH AFRICA

Revolutionary proposals

Bush praises de Klerk during his U.S. visit

When President F. W. de Klerk stepped down from his South African Airways jet to a motorcade welcome at Andrews air force base near Washington last week, he became his country's first ruler in 43 years to visit the United States. The next day, he became the first South African head of state ever to be welcomed to the Oval Office. Both were remarkable achievements for a man who, when he was elected president in September, 1989, was widely denounced by opponents of South Africa's white-minority regime as a longtime supporter of apartheid. In the past year, however, de Klerk has distanced himself from critics by taking the lead on the African National Congress (ANC), forcing its deputy president, Nelson Mandela, and beginning peace talks with black leaders. After their 24-hour meet-



De Klerk (left) with Bush, criticism at home

ing at the White House, President George Bush described the South African as a courageous leader who had made "irreversible" changes towards ending apartheid. Added

Bush: "Who among us, only a year ago, would have anticipated these remarkable developments?"

De Klerk's sides hailed his three-day visit as a sign that the country had finally emerged from its long international isolation. But in South Africa itself, leaders on both sides of the racial divide criticized the visit. ANC spokesman Sibusiso Msimang called de Klerk's endorsement of de Klerk a "disaster" for the country's oppressed black majority. And Mandela's criticism of his acceptance that South African security forces were committing violence in the black townships around Johannesburg, in which nearly 800 people have died since anti-apartheid. Even more threatening for de Klerk, however, was a warning from opposition Conservative Party leader Andries Treurnicht, who, along with white extremist organizations, now commands more than 50 per cent of white support, according to recent opinion polls. Treurnicht said that the president could lose the next election because he has failed to take into account growing white resistance to reforms. Treurnicht's warning: "It is the [white] voters who must decide what is really irreversible."

What appeared to anger white conservatives most was de Klerk's repeated statements in Washington that he was committed to a "one-man, one-vote" democratic system, tempered

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by "checks and balances" to protect white-minority rights. Many white South Africans have voiced fears that "overrun, out-vote" would lead to a black dictatorship. And, by using the term, de Klerk appeared to take a step beyond his previous insistence to "power-sharing" between blacks and whites.

Some congressional leaders expressed concern that de Klerk's reference to a white-minority rights would be an attempt to entrench a white veto in any new constitutional arrangement. And Democratic Representative Ronald Dellums, chairman of the Congressional Black Caucus, said that he cancelled a meeting with de Klerk to avoid giving the impression that he had won support from American blacks. Justing more than 100 demonstrators outside the White House during de Klerk's meeting with Bush, Dellums said: "South Africa is no less an apartheid regime. This is no time to talk about lifting of sanctions." But other congressmen did meet with the South African president. And white-minority allies. Democratic Senator David Bonior called de Klerk "a man of integrity who is committed to a peaceful transition to a non-racial democracy."

De Klerk made a special point during his visit not to raise the issue of the economic sanctions against his country. Andrew Grogan, assistant dean of the School of Foreign Service at Georgetown University in Washington, said that, by sidestepping the issue, de Klerk avoided forcing Bush to defend the measures and successfully "defused" congressional pressure to increase sanctions.

In South Africa, however, black leaders accused Pretoria of retreating with its so-called Operation Lion Fist crackdown against township violence. Last week, police imposed a curfew around 9 p.m.-4 a.m. curfew in townships around Johannesburg. ANC leaders described the curfew as a barbaric restriction on civil liberties. And the anti-apartheid South African Youth Congress called on its members to defy the curfew. That measure could become a flash point for further black protest. And it may make it more difficult for Mandela to meet the expectations of the increasingly militant township youth.

Some of those youths were particularly critical of Mandela's decision to meet with the leaders of six black townships on Oct. 6—a meeting that would include Zulu leader Mangosuthu Buthe. The tension in the black townships are between members of Buthe's Inkatha Freedom Party and ANC activists. Said 17-year-old Gift Maseko of Thabane township, near Johannesburg: "We have been fighting and dying in the war with Inkatha. Now, Mandela says he will meet Buthe. How can we respect such a thing?" But across Mandela can convince young ANC militants to support his search for a peaceful solution to the conflict—and unless de Klerk can control right-wing extremists—the president's solutions reforms may lose quality, to be replaced by the harsh repression reminiscent to all South Africa.

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A TRIPLE THREAT?

CANADA IS PUSHING AHEAD WITH THREE-WAY FREE TRADE WITH THE UNITED STATES AND MEXICO

For Gordon Ritchie, the risks and the chances are undeniably similar. An Ottawa's deputy chief negotiator for the Canada-U.S. Free Trade Agreement (FTA), Ritchie spent almost three years trying to fend off the demands of U.S. representatives. Now, 21 months after that agreement's ratification, potentially explosive bargaining over Canada's trade policy is about to resume. Last week, International Trade Minister John Crosbie ended months of speculation and announced that Canada will enter into trade with the United States and Mexico on creating a continental free-trade area with a combined market of 380 million people. Ritchie, who now works as a consultant just two blocks from Parliament Hill, says that Canada should regard as Mexican trade. But he added that Canada is taking a gamble. Said Ritchie: "My concern is the unfettered American agenda. Will the Americans use this to try to reject parts of the FTA that they did not like?"

Despite the obstacles, the momentum for a continental trade pact is clearly growing. Last week, President George Bush asked Congress for legislative approval to begin so-called fast-track negotiations with Mexico and Canada. Although discussions among the three countries have been under way for months, U.S. officials say that formal negotiations will not likely begin until next spring. In Ottawa, meanwhile, an optimistic Crosbie said that the three countries hope to conclude an agreement by the end of next year. Speaking during a visit to Canada by Mexican Trade Secretary Jaime Serra Puche, Crosbie added, "We are insisting that we be a full partner in the negotiations."

Politically, the prospect of continental free trade carries a number of risks for Prime Minister Mulroney. For one thing, public opinion in the FTA has grown steadily since it took effect 21 months ago. In a Maclean's

Dominion poll in May, 57 per cent of the respondents said that they believed that the FTA had hurt the Canadian economy, while only seven per cent said it had helped. And labor leaders blame the FTA for most of the roughly 168,000 jobs lost in Canadian manufacturing since the beginning of 1989. They add that jobs are likely to be lost because companies take advantage of a three-way trade agreement by moving to Mexico. Wage rates for skilled labor in that

In fact, the weak state of the Canadian economy will almost certainly heighten public opposition to the talks. A senior International Monetary Fund (IMF) official told Maclean's that Mulroney himself expressed optimism during a meeting with President Carlos Salinas de Gortari in March in Mexico City. The official said that Mulroney told Salinas that he favored continental free trade, but that advocating such a pact could stir up a controversy in Canada.



Some skilled worker in Jaen, Mexico: Canadian manufacturers might leave

country average \$1.66 an hour, compared with more than \$4.2 an hour in Canada.

Mulroney's political opponents quickly condemned last week's announcement. In Ottawa, New Democratic Party leader David Barrett accused Ottawa of blindly following Bush's agenda. Ottawa complained that the Mulroney government still had not delivered on its 1985 election promise to help workers who lost their jobs because of Canada-U.S. free trade. Last month, Mulroney's cabinet approved Robert Koe's "It is an absurd adventure to do this without providing protection for workers who have already been devastated by free trade."

Canada's position began to evolve after it became clear that Mexico and the United States were determined to forge ahead with or without Canada. In response, Canadian officials approached their counterparts and asked to be included in the talks. But there are indications that Serra and his staff are uncomfortable about Canada's involvement. Previously, Mexican officials had said that they wanted Canada to take part in the talks in order to defuse criticism from Mexican nationalists who worry about U.S. economic domination. But U.S. Trade Representative Carla Hills, after meeting with Serra last month, wrote Bush that the Mex-

icans are now concerned that Canadian participation "could delay a U.S.-Mexico free trade agreement or a greenhouse convention by the U.S. Congress."

Canada's trade with Mexico is small compared with that of the United States. In 1989, Canada shipped \$603 million worth of goods and services to Mexico, mostly cars, steel and automobiles. Canada imported \$6.7 billion worth of goods in return. That made Mexico Canada's 17th-largest trading partner. By contrast, Mexico is the United States' third-largest trading partner, behind Canada and Japan. U.S. Mexico trade last year totalled more than \$68 billion—about a quarter of the value of Canada-U.S. trade.

Last week, Canadian business leaders who met with Serra in Toronto and Montreal said that they hope to export more to Mexico's market of 85 million people. But opponents of a three-way trade agreement say that any benefits in Canada would be offset by an erosion of manufacturing in Mexico, forcing lower

because large multinational corporations such as Ford Motor Co. and General Electric Co. Ltd. have built new factories in Mexico that otherwise might have been built in Canada. Canadian automotive parts manufacturers have been among the first to feel the impact. Last month, Ohio-based Stelco-Globe Corp. said that it was closing a plant near Windsor, Ont., that made leather steering-wheel covers. The firm, which used to employ 400 Canadian workers, said that it was transferring production to Mexico and U.S. plants.

Serra and other Mexican trade officials tried to assure business executives last week that Canadian workers are far more productive than Mexicans because their skills are higher and they have access to more advanced machinery and equipment. Even so, Mexican officials clearly view this country's low labor rates as a key competitive advantage. Bernardo Blasco, Mexico's undersecretary of trade and the man who will likely lead the Mexican delegation to the negotiations, told Maclean's



Serra (left), Crosbie insisting on being a full partner

last week, Canadian and U.S. corporations are already streaming south of the Rio Grande to take advantage of Mexico's inexpensive programs which provide tax concessions to foreign-owned manufacturers and allow duty-free imports of raw materials. By last year, there were more than 1,500 so-called maquila plants, employing about 500,000 workers and generating nearly \$1 billion in exports.

So far Canadian-owned companies have established only 16 maquila plants. Still, Nancy Rice, executive vice-president of the Canadian Labor Congress, said that Canadian workers have missed out on new job opportunities

in this year that a three-way trade agreement would combine "Canada's natural resources, U.S. technical expertise and American labor for Mexico."

Free-trade advocates say that refusing to take part in the talks would make it harder for Ottawa to preserve the benefits that it was under the FTA. Richard Johnson, an economics professor at Simon Fraser University in Vancouver, says that if Canada was excluded from the agreement, many companies would simply relocate in the United States—the only country that would guarantee them access to all three markets.

Ritchie says that when the formal negotiations begin, the Americans will give Canada to propose non-tariff issues that were not resolved by the FTA. These include treatment of cultural industries and intellectual property, and the increasing U.S. complaints that Canada's industrial and regional social programs are, in effect,

aided trade subsidies. Recalled Ritchie: "During the U.S.-Canada negotiations, we consistently had to find ways to fend off the sight of the Americans." For their part, the U.S. have given assurances about cheapening off to negotiate a bilateral agreement. It is going to be difficult. But Serra's free-trade goals extend beyond North America. In June, he called for a "free-trade area stretching from the port of Anchorage to the Gulf of Mexico." As the bargaining over Canada's trade arrangements will likely continue for years to come.

JOHN DALL with correspondence reports

Business Notes

AT LONG LAST

Following a five-year-old promise to reform the country's financial institutions, the federal government introduced the first in a series of bills intended to improve conditions among banks, trust and insurance companies. Minister of State for Finance, Gilles Leduc said that "there are wins for everyone," economists and financial institutions alike. Leduc added that the legislative package would shore banks to a more trust and insurance companies to own insurance companies and guarantee companies to own trust companies. However, the 30-per-cent ceiling on bank ownership for any single investor is maintained, which may limit trust companies' success at their 35-per-cent publicly owned.

EXCHANGES SLUMPING

The Toronto Stock Exchange (TSX) 300 composite index reached its lowest level since November 1988, closing last week at 3,159.37. The rise has followed the claims on major overseas markets, including the Nikkei Stock Average in Tokyo, which closed the week at 20,913.56, lower even than its 21,810.00 close on Black Monday in October, 1987.

BOND BOWS OUT

Alan Bond, the 53-year-old British-born real estate's son, resigned as chairman and director of Bond Corp., the Sydney, Australia-based group that he built from scratch into an international \$1.6-billion housing, media and property empire. The family-owned, but controlled by the Andersons' Corp., reaching its greatest year, from the United States in 1983, left the corporation \$4.7 billion in debt.

THAT LONG-DISTANCE FEELING

The CRTC gave interim approval to Telcel and Bell Canada, which serves Ontario, Quebec and the Northwest Territories, to revise long-distance rates by an average of 1.5 per cent. The rates were intended to modify the changes, which are to take effect on Dec. 1.

HILLING BUSINESS

Canada Packers Inc., a subsidiary of British food conglomerate Pillsbury-Bell Canada, and London, Ont.-based John Labatt Ltd., announced that the two companies will form a \$250-million partnership by combining their beer and baking businesses. The transaction will make the new company, Maple Leaf-Labatt, one of the largest new firms in the Americas. Investment Canada and the Bureau of Competition Policy must approve the deal.



Why Mulroney is obsessed by the GST

BY PETER C. NEWMAN

The recurring nightmare of Brian Mulroney's strategists is having to solve the death agonies of March. Late, this time involving the Goods and Services Tax—the most unpopular levy since the days of the Boston Tea Party. They can foresee the current parliamentary joust between the Senate and Commons, accelerating its virtual intensity right up to midnight of Dec. 31, the eve of the GST's presumed implementation—then living the new twist the very last moment.

According to this doomsday scenario, even the unprecedented appointment of the eight extra senators may not save the day. The upper house has no powers for closure, and the 50 Liberal senators could filibuster the bill till past its deadline. The popularity of the debate on the issue is scarcely predictable. The GSTs will use every delaying tactic available. The most philosophically decent of the aging Liberal senators will stagger out of the Rod Chamber's regular sittings, live on air on national TV and, with what appears to be a final gasping breath, croak that he would much rather expire—right there in the nation's living rooms in technicolor—than allow the pernicious tax to pass. Even with Mulroney's level-headed appointments of helpful party favorites, the GST seems doomed—at least in terms of becoming law as scheduled, on Jan. 1, 1991.

Everything that has happened since makes it even harder to understand why the Prime Minister insisted Brian Buchanan to the Senate. By choosing to elevate the former premier, the new Conservative government is under active investigation by the RCMP. Mulroney provided a perfect lightning rod for his enemies, making him politically vulnerable at a time he could least afford it. There might have been consequences possible to allow the GST to proceed—an Liberal leader Jean Chretien would certainly have walked, because he knows that he will need the attention, should he ever become prime minister. But rewarding the

It's a legislative battle he must win, because to lose it would threaten his battered government's will—and ability—to govern

chance under such shadowy circumstances changed all the equations. By making what is today the most questionable appointment of his time in office, Mulroney gave the Liberals on the Senate looking committee the courage to face him down. It's a legislative battle the Prime Minister must win, because to lose it would threaten his battered administration's will—and ability—to govern.

Opposition to the GST is unanimous of the March 1989 accord in several important ways, and Mulroney's and history is about to repeat itself. In each case, perception of the issue has been far more politically deadly than its reality—and the alternatives available after its demise are far worse than the original initiative. Despite all the abuse heaped on the GST, no one has come up with a workable substitute. Calculations suggest that to raise federal revenues through personal income taxes equivalent to the \$20 billion in GST revenues expected to be collected in 1991 would require a 35 per cent increase in individual income. Such a quantum leap would trigger a positive revolution across the country and drive Canada's economy underground.

As it is, our average rates combined with provincial taxes are about 13 per cent higher

than what people pay on average in the United States.

The equivalent in terms of generating projected GST revenues from the corporate sector would mean raising business taxes by an incredible 157 per cent. It couldn't be done. And corporate taxes are already much lower for some industries in the United States, so that would be made in place, many Canadian companies are already relocating across the border. Any major tinkering with tax levels would devastate what's left of our industrial base.

Universal levying of the GST has little to do with the tax itself, since it's essentially a replacement levy, doing away with the complex and double-tax manufacturers' federal sales tax. The GST should not have been allowed to escalate into a labor issue. Consumption or value-added taxes are part of the cost of maintaining a modern government infrastructure. Twenty of the OECD's 34 member countries employ some form of the tax. Only four industrialized nations—the United States, Canada, Australia and Switzerland—do not.

Implementation of the GST—just like Meech Lake—became such a divisive issue because voters were given much too long to think about it and too many special interest groups were granted exemptions. If like New Zealand, the federal government had implemented the new levy overnight with no exemptions and at the same time a cut in personal taxes, there would have been little extended outcry.

As it is, we're in a mess. The Mulroney government's five-year plan is out the budgetary deficit in half by 1995 is no political pipe. Our federal finances are frozen in a gridlock of prior commitments that leave almost no discretionary freedom for improvement. Something like 85 cents out of every tax dollar is spent before it's collected.

The largest proportion of these expenditures—nearly 35 cents out of every dollar—is wasted by being used as interest on the national debt. Another 39 cents is taken up with transfer payments to individuals, such as medicare, pensions, family allowances and related programs, while 31 cents is consumed by statutory transfers to the provinces. That leaves 15 cents to run the federal government. Ottawa's expenditure levels continue to be outrageous, why does Canada need 38 cabinet ministers when George Bush runs the United States with just 14? Why does the dismantling of veterans affairs, nearly half a century after the Second World War, still employ about 4,000 civil servants? Why do senators keep awarding themselves pay increases? But even if these and other abuses were eliminated, the only in federal expenditures would not be nearly enough to heal our financial wounds.

The solution has to come on the revenue side, which means, among other things, passage of reforms to the Unemployment Insurance Commission, the pension and family allowance commissions proposed in the last budget and implementation of the GST—all estimates now being held up by the Senate.

It is an acceptable season in Canadian politics. Everything is in play—including Brian Mulroney's moral authority to govern.



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The clean car quest

Los Angeles promotes electric automobiles

Since they first appeared in 1888, vehicles powered by electricity have risen and fallen in public popularity. But many experts agree now that electric cars will make a comeback over the next decade as North American and European become increasingly concerned about air quality and other environmental issues, as well as rising oil prices. Earlier this year, Detroit-based General Motors Corp. (GM) unveiled a prototype of a sleek-looking electric car called the Impact. Last month, the city of Los Angeles, along with a promise valued at \$25 million, agreed to invest \$10 million in the development of electric vehicles. Their goal is to put 1,000 electric cars on Los Angeles roads by 2003, with another 6,000 by 1995. And last week, at a joint venture with GM, NewcarNet, Cleveland, OH, and Delco International, a division of auto-parts maker Magna International, began assembling 60 electric vans. Two major Canadian cities, Toronto and Montreal, and more than 20 U.S. states have agreed to purchase the vehicles in order to test their capabilities. And Jack Kerr, president of the Electric Vehicle Association of Canada in Mississauga, Ont., "It's out of the back before the storm."

Proponents say that, for the first time in decades, a combination of political, economic and environmental factors have made electric vehicles attractive alternatives to gasoline-powered automobiles. For one thing, they say, a 2000 survey of 10,000 households in California has pushed up gas prices in California between two and five cents a liter. U.S. profits have plummeted by as much as 50 percent in the last year, and increased concern about air pollution has led to strict clean-air legislation, especially in such large urban centers as Los Angeles, and such huge metropolitan areas that do not produce harmful emissions. Still, some experts maintain that consumers will be reluctant to switch to electric cars until researchers develop a battery capable of powering a vehicle beyond the current limit of about 100 km before a recharge is necessary. Declared Mark Nazzari, executive director of the Toronto-based Motor

Vehicle Manufacturers Association: "I don't see gas going by the wayside for a long time yet because it's a very good fuel and the current technology is based on gasoline."

But it has not always been that way. At the turn of the century, 38 per cent of the automobiles in the United States were powered by electricity, 22 per cent used gasoline, and the rest were steam driven. Then, in one, electric

recharge the batteries. As a result, most automotive experts agree that electric cars would be useful solely in urban areas. Even then, motorists would require a network of service centers where the vehicles could be conveniently exchanged. Prolonged testing of electric vehicles has also shown that the batteries must be replaced at about 40,000 km, or once every four to five years, which could cost \$1,000 for a car and up to \$7,000 for a van. However, investors in Europe and North America are looking for alternatives to the current lead-acid batteries in order to increase the range and versatility of electric vehicles.

In the past decade, growing public concern over air pollution, much of it caused by internal combustion engines, has led to renewed interest in electric cars. According to the Washington-based Environmental Protection Agency (EPA), many U.S. cities regularly exceed the federal clean air standard of 0.12 parts per million of ground-level ozone, a gas contained

in smog, a private utility that supplies electricity to the town, agreed to spend \$4 million over a period of five years to finance the design and development of an electric car. Also reviewing proposals from 18 companies, the City of Los Angeles and Southern California Edison on Sept. 8 signed an agreement with Swedish-based Volvo Car Transport, which has developed a vehicle called the LA 361. Volvo Air was founded in 1984 and is

speed of 130 km/h. The car includes a built-in recharging system, and the 870-lb. battery pack, which houses 32 lead-acid batteries, can be almost completely recharged in two hours. But officials released to newspaper about the company's production plans at the projected end of the project.

At the same time, the company is also working with Volvo and has developed the electric Van 90 of which will be produced in



Under the hood and (below) Kerr: almost silent and needing little maintenance

locked by British, American and Swedish investors. Its four-passenger electric car is designed to travel at top speeds of 115 km/h for distances of between 100 km and 115 km before requiring a recharge. Jerry Eisenstein, who is managing the program on behalf of Los Angeles, said that the car would likely sell for about \$28,000 initially, but that the price would come down as more cars are produced.

Proponents for the vehicles are currently in production at Volvo's plant in Sweden. Eisenstein said that both the city and Southern California Edison plan to use about 20 of the vehicles in their fleets.

Meanwhile, the Big Three automakers, General Motors, Ford Motor Co. and Chrysler Corp., devote little analysis regard to a major portion of their annual development budgets as electric vehicles. GM's impact is based on the engineering and design of its solar car, the Solaris. With a range of about 100 km, the Solaris car can maintain an average speed of 90 km/h on a highway, it can accelerate from zero to 100 km/h in 10 seconds and it can reach a top

speed of 130 km/h. The car includes a built-in recharging system, and the 870-lb. battery pack, which houses 32 lead-acid batteries, can be almost completely recharged in two hours. But officials released to newspaper about the company's production plans at the projected end of the project.

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General Electric Co. and several major battery manufacturers. Since 1882, the company has spent about \$25 million on the project. John Kent, product information manager at Ford Motor Co. of Canada in Oakville, Ont., says that there is a good chance the electric vehicles will be widely available to consumers early in the next century as metropolitan areas Ford's demonstration electric vehicles, five vans and five cars, can travel about 100 km without a recharge of the battery. "I'd be great if you're at Metro Toronto," says Kent. "So we see it as being an alternative to urban areas." He predicted that electric-powered vehicles will not be significantly more expensive than gas-powered cars.

Chrysler appears to be making a smaller commitment to electric vehicle research than either Ford or GM, and officials with the company express less optimism about the technology than their counterparts at the other two companies. Chrysler is participating in a joint venture with the Electrical Power Research Institute in Palo Alto, Calif., to develop and test five electric-powered vans. "We're not convinced that there's a market out there," said Chrysler media relations officer Anthony Gervino. "Is there a supplier base out there for batteries? Is there use for electric power? Electric vehicles won't be the end of the road on emissions standpoint, but electric companies will have to work around the clock."

But several Canadian, European and American companies are working to develop solutions to the roadblock facing the vehicles. Ford, Powertrain and the West German electrical engineering company Bosch are working on all-powering solid-state batteries. Ford is participating in a joint venture with General Motors and Delco International in assembling 60 electric vans, and their performance has been encouraging. Solid-state batteries can store twice as much energy as lead-acid, which means that a car powered by solid-state batteries could travel about 200 km without a recharge. But Sedgewick added that one of the problems with the batteries, which are still in the prototype stage, is that they last only a year or two.

Despite the growing evidence that internal combustion engines are contributing significantly to air pollution in urban areas, most experts agree that electric-powered vehicles do not represent a quick and simple solution. The reason of the car is too limited, the battery replacement costs too high, and the cars themselves are expensive. But most advocates of electric cars agree that if the vehicle was mass-produced, they would be cost competitive with conventional vehicles. "We're moving in the direction of electric vehicles," said Nazzari. "But it is not until we have the mass economies that demand." Until the auto industry produces an electric vehicle that runs as efficiently—and as unexpensively—as gas-powered automobiles, it will take some time to convince consumers that when was popular in the early 20th century is also the wave of the future.

NORR ANDERSON with ANNE GREGORY in Los Angeles

GM's Impact: reviving an old alternative for political, economic and environmental reasons

cars were almost silent and required little maintenance. By 1912, there were nearly 34,000 electric vehicles in use in the United States alone, compared with about 20,000 automobiles powered by internal-combustion engines. But by the end of the Second World War, electric vehicles had almost completely disappeared from North American roads. Motorists had gotten up on the vehicles because they could only be driven a maximum of about 85 km before a recharge. As well, they could reach a top speed of only 32 km/h, while gas-powered vehicles could easily sustain speeds of 140 km/h.

Many of the problems associated with electric vehicles during the first half of the century still have not been entirely resolved. Although more powerful batteries are now available, even the best electric vehicles remain limited, and it takes an average of six hours to fully

recharge the batteries. As a result, most automotive experts agree that electric cars would be useful solely in urban areas. Even then, motorists would require a network of service centers where the vehicles could be conveniently exchanged. Prolonged testing of electric vehicles has also shown that the batteries must be replaced at about 40,000 km, or once every four to five years, which could cost \$1,000 for a car and up to \$7,000 for a van. However, investors in Europe and North America are looking for alternatives to the current lead-acid batteries in order to increase the range and versatility of electric vehicles.

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At the same time, the company is also working with Volvo and has developed the electric Van 90 of which will be produced in Sweden. Eisenstein said that both the city and Southern California Edison plan to use about 20 of the vehicles in their fleets. Meanwhile, the Big Three automakers, General Motors, Ford Motor Co. and Chrysler Corp., devote little analysis regard to a major portion of their annual development budgets as electric vehicles. GM's impact is based on the engineering and design of its solar car, the Solaris. With a range of about 100 km, the Solaris car can maintain an average speed of 90 km/h on a highway, it can accelerate from zero to 100 km/h in 10 seconds and it can reach a top

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How the Jays goofed on a gentleman

BY TRENT FRAYNE

The Cecil in Cecil Fielder is pronounced Sewal. Can you believe that? Here is a guy, now taller larger than the Pittsburgh Dugout, close to 250 pounds, no-frills, with a chest as big as a polar bear's, and he says his name is Sewal. Now, he is the supposed new home-run king of all baseball. But there was this day in 1983 in Danville, the sleepy little Florida town where the Blue Jays train in the spring, when Cecil came waddling from the clubhouse, a confidant, carrying another guy who can hit the ball precisely over in Clearwater, and all the Canadian scribes are calling him Cecil as in Sewal.

"Hey," says the big fella, "what's this Sewal? All you boys from Medicine Hat?"

Medicine Hat? How did Medicine Hat get its name?

Well, it turns out it was in Medicine Hat, Alta., that the Jays got their first look at Cecil. This was the summer of 1983 when Cecil's bat was the property of the Kansas City Royals and he was playing first base for their farm team at Burke, Mo., in the Pioneer League. The Pioneer League is also home for the Medicine Hat Blue Jays, much to Cecil's delight back then. He wore out Blue Jay lambskins while compiling a .325 batting average and 20 homers and becoming the all-star first baseman on the Pioneer's 70-game summer season.

The Blue Jays had a manager at Medicine Hat named Duane Larsen. One day, when the Kansas City Royals were looking for an experienced outfielder, they got in touch with Pat Gillick, the Blue Jays boss, expecting their spare outfielder named Laverne Roberts. Right away Gillick called Duane Larsen in Medicine Hat wondering if the Burke ball club might have some promising youngsters whom Pat could go for Roberts.

"Yeah, there's this big kid, maybe 18 years old named Fielder whom you hit," Duane Larsen told Pat. So the deal was made, Cecil's name was Sewal then, too.

"My momma always called me Sewal" is

The fans love sleepy-eyed Cecil because, unlike most of the sweaty millionaires, he always has time and patience for them

Sewal is what it is." Cecil told the Toronto scribes in Danville, wearing a big smile when he got there the next spring. Cecil is a guy who smiles at the whole, then as a habit, down-to-earth fellow, sort of sleepy-eyed and shuffling.

Nowadays, of course, in their less-than-ideal portrait of a place in the American League playoffs, the Blue Jays could use a boost from Cecil's meekness but. They'd have it, too, if they'd been a bit more persistent after latching onto the broke from Burke who has been delivering the upper deck inside Tiger Stadium all season long, swatting prodigious flyballs and, of course, doing so on 50 homers. Only 11 guys in baseball history have struck that many.

Cecil was a Blue Jays chetel as recently as 1958, making him disappear into the concrete was grandfathered that served as the last-ball Musicians in Toronto's comical old Exhibition Stadium, their first home. Still, second-guessers have been slow to possess upon the Jays' talent forecasts for their lack of foresight. For more money, of which the largely Left-handed Blue Jays have poured from every red, the ball club's management duped Cecil to the Hamilton Tigers of Japan's Central League after the 1968 season. Until then, Cecil had

spent his and passed of four years in the Blue Jays uniform, depicting 31 homers in that span to indicate that he had a live bat.

The trouble was, as everybody agrees to this day, there was no place where Cecil could make it into the ball club, much as that sounds. He is a first baseman and, as such, he cannot carry Fred McGriff's glove in the field and McGriff, the incumbent, is a slugger, home- and, and the same age as Cecil.

Actually, the Blue Jays agreed Cecil to be their right-handed designated hitter—that is, the guy who went into the batting order against opposing left-handers. But in that role, he wasn't getting to the plate often enough to become a consistent threat. "He just wasn't getting the at-bats," as Gillick phrases it. In hindsight, Gillick concedes that he probably erred in not making Cecil the everyday DH, against lefties and righties. Still, that's a move that's easier to justify nowadays in light of Cecil's season at Detroit than back when he was getting into half the ball games or fewer.

In the waning moments of the long season, the principal focus on Cecil was whether he would strike that 50th homer. No player, including Cecil, will admit the symbolism of 50 homers, but it's a number that has eluded some great challengers: Whitey Williams (1908) and George Foster (1977) hit 54, numerous sluggers closed in on the number in the closing weeks, but then faded on the very brink.

The revered Lou Gehrig twice stopped at 48, and four others, Harmon Killebrew, Frank Robinson, Mark McGwire and Andre Dawson, also got stuck on 48. Willie Stargell, Dave (Big Keng) Kingman, Frank Howard and Mike Schmidt hampered 48. Two of the all-time all-stars, Hank Aaron and Reggie Jackson, went dry at 47, as did Toronto's George Bell in his best season, 1987 (George has been nowhere close since then—24 in 1988, 18 in 1989, and stuck in the 50s this season as the guest process now).

Almost everybody who has ever contacted Cecil carried high hopes that he would reach the elusive 50. Cecil is a nice guy to run into, with an unusually agreeable disposition. The players' blood Cecil once the first day. Detroit manager Spencer Anderson says: "He's who he is. He doesn't try to be liked, he's just relaxed and comfortable being himself."

The fans like him, too, because, unlike most of the sweaty millionaires, he always has time and patience for them. "I have never been given a," The Washington Post after watching Cecil on the field in Baltimore as which he noted that almost every major-league player avoids the fans who stand along the box seat railings after hitting practice, seeking autographs.

"I've never run up to him or call him by name. Fielder walks directly to the box seats and takes a small 'hey' program and pen and begins the autograph session," Rowell wrote. "He keeps signing for 15 minutes until the police order him to stop and go into the clubhouse."

No question, the Blue Jays goofed on Cecil. And they're among the first to admit it. "I'd love to see him hit 50," said Pat Gillick. "Cecil's a real gentleman." Pat says it "Sewal."

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TELEVISION

NETWORK TUNE-OUT

For four decades, they were the unrivaled kings of American television. As recently as the 1970s-1980s, when mass media, 80 per cent of Americans who watched prime-time television tuned in to the U.S. networks. But in recent years, cable and other small-screen options have usurped their place. And now, according to the Big Three—ABC, NBC and CBS. By last season, according to results released this month by the Chicago-based A.C. Nielsen Co., that figure had dropped a sharp 20 percentage points, to 41 per cent of viewers—dropping to an all-time low of 33 per cent one week in July. As they head into this new season, faced with shrinking audiences and brutal competition, the once-admirable networks are looking their wounds.

Seal George Fiske, professor of journalism at Carleton University in Ottawa. "In the United States, if not in Canada, the whole concept of a network may be going down the drain."

Indeed, the U.S. networks are fighting for their lives. Last June, in response to the constant erosion of their ratings reported by Nielsen's electronic "people-meter," officials at the three U.S. networks banded together to announce that they would disregard Nielsen

THE SPREAD OF CABLE AND OTHER INNOVATIONS ARE DEVASTATING THE BIG THREE'S SHARE OF THE AUDIENCE

figures in the 1990-1991 season, viewing instead to use their own in-house methods to determine audience numbers. And in another show of unprecedented solidarity, they formed their first cross-network association earlier this year to actively promote network TV as an advertising vehicle. Unfortunately, too, the beleaguered networks have played into aggressive marketing schemes to woo back advertisers. The Big Three claim that they are responding to the crisis with more innovative programming and by giving the public more of what it

MuchMusic studio in Toronto: an explosion of viewing alternatives

wants. But, despite a few bright spots, the new season's lineup rarely rises above the mediocre (page 46).

However, it remains unclear whether any measures will be able to reverse the American networks' decline. Their decline is part of a larger revolution being played out on the small screen as a result of viewers' dramatically increased options. With the proliferation of video cassette recorders (VCRs) during the past decade, many viewers frequently circumvent direct broadcasts altogether by playing pre-recorded material or videotapes that they have bought or rented. Recent industry figures show that video movie rentals are now doubling, but the biggest threat to the networks—the cable services—is still growing. The killing of America is taking place more than a decade behind the growth of the service in Canada. But with an capacity to deliver as many as 30 channels, cable is giving Americans access to a raft of new services, many of them so-called narrowcasters aimed at a specific audience. Within the next decade, the choices

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will again increase dramatically as the cable companies replace their existing copper cables with glass fibers, which has a dramatically higher channel-carrying capacity.

Home is the Los Angeles-based Fox Broadcasting Co., founded in 1986 by Australian entrepreneur and media baron Rupert Murdoch, as mounting an increasingly successful challenge to the U.S. Big Three. The burgeoning network, which now serves stations and sells its programming to 138 affiliates, has a lineup including such unconventional series as the lawless *Mannix*. With *Children*, where homestead plots are standard fare, to the animated *It's a Wonderful Life*, about a dysfunctional working-class family. Still, Jeremiah Barker, director of the annual *Twist Television Festival* in Atlanta: "With the incredible growth of cable, Americans now have so many alternatives to what has always been on the box, and some of those alternatives can be pretty exciting."

In Canada, the two English-language national networks, the publicly owned CBC and private CTV, are more accustomed to having to share the small screen with other networks. The second most heavily cabled country after Belgium, Canada was already 60-per-cent wired in 1975—the current figure is 72 per cent. As well, the U.S. channels have always been widely available to Canadians. As a result, despite the saturation in recent

years of such spectacular success in 750 (open) MuchMusic (rock videos) and Newsworld, CTV and the CBC have each lost only two to three percentage points of their market share over the past decade, currently estimated at about 18 and 20 per cent, respectively. By contrast, the major U.S. networks had the airwaves pretty much to themselves in the early years of television. The NBC station WISN launched the era of scheduled television when it broadcast a speech by then-President Franklin D. Roosevelt opening the 1939 World's Fair in New York City. In that same broadcast, NBC president David Sarnoff spoke eloquently about "the birth in this country of a new art so important in its implications that it is bound to affect all society." It did—said to do the Big Three. By the end of 1949, 92 of the 94 operating stations in the country were subscription-based, and by 1966, with almost 600 stations across the United States, about 80 per cent were network outlets.

Throughout these decades, cable television was the anagram of America TV. Originally a means of transmitting television signals to rural business, it began to grow in importance only when it was introduced to U.S. cities and suburbs in the late 1970s as a means of improv-



Sherilyn Fenn in *Twin Peaks*: prepared to take artistic risks

ing reception where higher buildings interfered with signals. But in the United States, the cable companies did not simply rebroadcast the networks' signals, as the companies originally did in Canada. Many of them started their own channels and began producing new programming for them. The most successful among them include Home Box Office, which specializes in movies and entertainment events, the all-news Cable News Network (CNN), all-sports ESPN, and MTV, which features music videos and interviews with pop stars.

New, 56 per cent of U.S. households with a television set are wired for cable—more than a fivefold increase from 10 years earlier. The Canadian Radio-television and Telecommunications Commission (CRTC) heavily regulates the domestic cable industry, but U.S. cable companies, deregulated in 1984, have almost unacknowledged control over what

they carry and how much they can charge. Last month, however, Congress approved legislation that could impose stricter limitations on what American cable companies may charge. Whether or not those controls are implemented, the industry already has a powerful infrastructure in place. In all, there are now 85 American cable networks and more than 9,000 local cable delivery systems across the country, providing roughly half of U.S. households with more than 30 TV channels.

Alongside all-movie, all-comedy and all-weather channels are such usage offerings as the New York-based J Channel, which features photographic scenes and advertisements for escorts. There are channels for fundamentalist Christians and channels for shopaholics. The Cowboy Channel, partly owned by country singer Willie Nelson, is set to begin transmissions to five million homes this fall. And the Los Angeles-based Science Fiction Channel is scheduled to start up next spring.

Such options have helped to transform U.S. cable into an economic powerhouse—and a formidable threat to the Big Three. In 1991, advertisers spent \$142 million to promote their products on cable. This year, the figure is an estimated \$2.5 billion—an increase of 56 per cent over 1989 alone. In the same period, first-place NBC sustained an eight-per-cent drop in its \$3.5-billion ad revenues. And Parvizi Reynolds, chief executive of Atlanta's Turner Broadcasting System, which counts CNN among its broadest outlets, "Advertisers are attracted to specialized programming like moths to a flame."

Fox, meanwhile, is playing the networked game, luring into their audience—and advertising revenues—with shows that have a broad appeal. This month, Fox has created nine new series, allowing for a fourth and fifth evening of programming. The broadcast also has plans for a sixth and seventh evening to be added in each of the next two years.

Innovative Fox programming, Fox has built an especially loyal following among viewers in their 20s and 30s, a demographic group prized by many advertisers. The results have been significant: last season, when it was on the air only three nights a week, Fox scored a 6.6-per-cent share of the viewers

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Sisterly harmony

The McGarrigles return after a long absence

It was a typical Sunday morning for the McGarrigle sisters. Anne, 43, had finished ironing her two children—and the dishes—in the 250-acre farm in Altona, Ont., east of Kingston, that she shares with her journalist husband, Dave Laikson. And Kate, 44, had just walked the dog around her home town of St. Lawrence des Monts, in the Laurentians north of Montreal, where she was visiting her mother, Gaby. But the sisters were preparing for a break from familiar routines that day: they got on the phone to discuss the Sept. 24 release of their sixth album, the first in more than seven years, and how they were going to promote it. After such a long absence, *Heartbeats* undoubtedly signals a purpose comeback for the critically acclaimed sisters, who many fans thought had abandoned the music business. Apart from composing a few film scores—including one for *Tommy Tricker and the Dirty Tractor*, part of Quebec producer Rick D'Alessi's series for children—the McGarrigles have been devoting themselves to raising children. And Kate said that they were happy, if a little nervous, to be back in "recording." Added Anne: "It's just like when we made our first record, back in 1976. We have no idea what's going to happen next."

Seven they launched their careers with their critically panned debut album, *Kate and Anne McGarrigle*, the sisters have defied the conventions and expectations of the music industry. Their records have strayed far from the mainstream of commercial pop, featuring a folky mix of Celtic and Cajun influences, gospel and bluegrass, and maternal crooning from Stephen Foster parlor songs to French-Canadian folk tunes. In general, these are compositions. Intelligent, literate writers, they gained a reputation in the 1970s for crafting deeply heartfelt romances in song. Their performances were astonishingly casual—in the past where some critics called them

sloppy—as if the McGarrigles were playing for themselves in their living room rather than for an audience in a concert hall. Yet their unassuming, natural style also brought them accolades and respect. New York City's influential weekly *The Village Voice* chose their second album, *Dancer with a Broken Heart*, as the second-best record of 1977. And *Rolling Stone* named their 1981 collection, *The French Book*, with songs in that language only, one of the best releases of the year. Meanwhile, other singers enjoyed Top 10 success performing McGarrigle compositions, including Maura O'Connell with Kate's *The Wild Song* and Linda Ronstadt with Anne's *Heart Like a Wheel* and Kate's *Meadowland*.

Now, with their first album since 1983's *Love Over and Over*, the sisters say that they would love to have the sort of commercial success that others have enjoyed with their material. Although it features a slightly timelier, more contemporary sound, *Heartbeats*, arriving in still a long way from the lightweight concoctions that dominate the record charts, filled with thoughtful, quietly songs, the collection reaffirms their status as the godmothers of a group of distinctive Canadian female singer-songwriters, including Jane Siberry and Mary Margaret O'Hara, who have won critical praise internationally.

Songs of longing and loneliness, always the McGarrigles' trademark, are interspersed throughout the new album. On the touching title track, Anne performs her simple but eloquent composition about love's elusive nature

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over swelling accordions and violins. And on the stark, confessional *I Got Demise*, Kate sings plaintively of sitting alone in the kitchen: "No more candlelight, no more someone more would take where the hunger's great."

Other songs, such as *Mother Mother I'm Losing You* and *Leave Me Be*, deal sensitively with family issues, either from a child's or from a parent's perspective. Children have figured prominently in both sisters' lives. Anna has a son, Dylan, 11, and a daughter, Lily, 11, with Lesley, while the single Kate—who lives in Montreal—has a son, Rufus, 17, and a daughter, Martha, 14, with New York-based singer-songwriter Lesley Wainwright II, whom she divorced in 1979. In fact, the song *I'm Losing You* is Kate's farewell to Rufus, himself an aspiring musician, as he leaves for boarding school.

The McGerrigles' music is rooted in their family and home. They learned to sing their distinctive harmonies while their father, Frank McGerrigle, an Irish-Canadian purchasing agent, played his favorite songs, pop standards from the early part of the century, on piano. An elder sister, Jane, acts as manager for the duo and occasionally sings and plays piano onstage with them. The sisters attended a French convent school in St. Simeon, and Kate, because "my father believed that if you were going to live in Quebec, then you'd better learn the language well." There, she continued, they learned themselves to sing, mostly sacred songs, because "it was a lot easier than singing



Kate, Anna McGerrigle singing and Lesley

in the playground trying to have a conversation in French about dolls and things."

When they graduated, the bilingual sisters took their love of French-Canadian folk songs to Montreal's coffeehouses in a group called the

Mountain City Ray. By the time they formed a duo, they had become accomplished singers and instrumentalists on piano, accordion and fiddle.

But neither sister has ever taken herself or the music business too seriously. Said Kate: "I've always had a fear of becoming someone like Elisabeth Taylor or Tina Turner, over-the-top types who are so self-important. We're just ordinary people." And even as they re-launch their careers, their approach is singularly low-key. Anna acknowledged that she and Kate were "caught off guard" when they got a call from Private Music, an independent, Los Angeles-based record company whose roster of talent includes Jennifer Warnes, asking if they would like to make a record.

Still, the McGerrigles say that they have high hopes for the new collection's critical and popular success. They note that, while they can't predict mainstream pop success, they are by no means wealthy. Said Kate: "It would be nice if it worked, nice financially. The kids have to go to college, and we're not about to jump into another career or anything." Without the hype associated with most pop comedies, the McGerrigles are making a welcome—and typically modest—return.

NICHOLAS JENNINGS



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BOOKS

Unneeded sequel

An author basks in the Prime Minister's gaze

STILL THE BOSS: A CANDID LOOK AT BRIAN MULRONEY
By Michel Gratton
(Penguin-Holt, 255 pages, \$24.95)

Sequel seems to be an unavoidable fact of life in the high-powered Hollywood movie industry, but they are less common in the gentler world of Canadian book publishing. Judging from Michel Gratton's new book, *Still the Boss: A Candid Look at Brian Mulroney*, that is probably as it should be. A former press secretary to the Prime Minister, Gratton earned considerable praise in 1987 for *So What Are the Boys Saying?*, an account (not generally entertaining account of the first 2½ years of the Conservative mandate. Regrettably, he appears to have taken notes to the belief, pervasive in Hollywood, that success with one project is reason enough for a sequel. Like most movie spin-offs, Gratton's new book exhibits virtually all of the flaws of its best-selling predecessor but few of its virtues.

The problems begin with the title. Although *Still the Boss* masquerades as a deep look at Brian Mulroney, large chunks of the book have little or nothing to do with the Prime Minister. Lacking both a structure and a coherent theme, the book is a random collection of press-club rants, notes from the 1985 election campaign and previously unpublished speeches from Gratton's years in the Prime Minister's Office.

The real star of the book is Gratton himself. A columnist for *The Toronto Star* and its sister tabloids in Ottawa, Calgary and Edmonton, he devotes the first three chapters of *Still the Boss* to his decision to leave the PMO, the circumstances that surrounded the writing of the first book and the hostile response that it drew from his former friends and colleagues in Mulroney's entourage. Although Gratton concedes that he is a heavy drinker, he remembers Prime Minister's appointments of trying to pain his reputation by alleging that he had a drinking problem. But he consoles himself with the knowledge, at a price, that "I gave Mulroney a few good sleepers myself."

Unfortunately, Gratton retains all too often the subject of his relationship with the man he calls the Boss. He describes being at news conferences given by the Prime Minister, coming him during the 1988 campaign and accompanying Mulroney abroad. But, for the most part, he glosses over the events that

when inside of Gratton's troubled conscience, pondering on obsession, with the manner in which Mulroney treats him. Evidently, what matters to the author is not what the Prime Minister said or did, but whether he made eye contact with his former press secretary.

Gratton says that the turning point in his on-again-off again relationship with the Prime Minister occurred during a news conference immediately following the 1988 Conservative election victory. He writes that Mulroney, bemused by another reporter's question, "looked straight at me." For Gratton, that simple gesture marked a breakthrough: "That was almost as good as talking to me. I sensed, at that moment, that my rehabilitation was under way." Such episodes reveal so much about Gratton's concept of the role of a political columnist, as they do about Mulroney.

All the same time, he devotes only a few lines to Mulroney's 1989 meeting with Soviet President Mikhail Gorbachev in Moscow, acknowledging: "I frankly did not pay much attention to what he was doing." Indeed, the only truly significant element of the trip, from Gratton's standpoint, occurred during the flight back to Ottawa. The author offered Mulroney his considered opinion that the challenge facing Gorbachev "was beyond human abilities." Recalling the conversation, Gratton writes, "He spread with me totally."

The book is also marred by the author's overreliance on press and secondary source of humor. When the publisher of *The Toronto Star* offered him a job, Gratton was more than pleased—he was overwhelmed. "The scene was surreal, in slow motion, as when your remote react to some sudden event like a car accident," he writes. And Gratton seems to find it funny that a television sound man proposed during a party on the Liberal campaign plane that party leader John Turner's daughter and two of his ministers should "all take off their clothes and let the people decide," a play on the Liberal campaign slogan. Describing the three women as "topless," the author considers this "an outrageous suggestion."

Only in the book's final pages does Gratton finally get down to a serious consideration of Mulroney's character. But his conclusions are neither original nor useful. His main point is that Mulroney "has composed shrewdly public relations triangles with widespread public approval." But even if that was true in the past, it is doubtful whether it will continue, after all, why would a politician concerned only with his standing in the polls present with a mistress as demonstrably incompatible as the Goods and Services Tax?

But such apparent contradictions hold little interest for Gratton. Instead, he ends the book by recounting that Mulroney telephoned him and Mulroney to offer his congratulations on the success of his review. "I was touched," Gratton writes. "Not so much that he thought of me, but that he had the guts to phone. One year before that, he wasn't even talking to me." The question is whether any body else really cares.

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FILMS

Desert enigmas

Two thrillers focus on brooding strangers

A dark stranger blows in from the southern Californian desert. He has a mysterious and violent past. He may be crazy. That is the setup for both *Purple Hearts* and *After Dark*. My Sweet, two new American thrillers opening this month. But after their opening scenes—both of which present visions of scorching landscapes near Palo Spang—these enigmatic enigma in *Purple Hearts*, a highly effective but facile Hollywood thriller, the stranger is a ruthless villain. In *After Dark*, My Sweet, a smart psychological drama with a paper-thin plot, he is a tragic hero.

Although *Purple Hearts* is based on an obscure concept and uses some of the oldest tricks in the Hitchcock handbook, it works. The movie taps an elemental fear—all an intruder violating the sanctity of the home. But in this case the villain actually moves in. He is the tenant from hell. And he terrorizes the homeowners—the young couple who live upstairs—by making a very early census of their elegantly renovated house. *Purple Hearts* dissects the ultimate puppet nightmare: the destruction of private property.

Patty (Melanie Griffith) and Drake (Matthew Modine) are married lovers who and their romance with a heavy mortgage. After buying and renovating a large Victorian house in San Francisco, they make their nest in the upper floor and rent the two-ground-floor apartments. A polite domestic couple moves into case. And a mysterious man named Carter (Michael Keaton) sweeps up the front stoop. He has a wallet stuffed with thousands of dollars and drives a black Porsche.

Carter turns out to be a domineering sociopath who methodically drives his landlady crazy. He does not pay his rent. He changes the locks on his apartment. He carries out noisy, sinister construction projects in the middle of the night. He terrorizes the couple. But when Patty and Drake try to evict him, they run into a tangle of laws designed to protect tenants' rights, laws that Carter has learned to manipulate.

Screenwriter David Pye drew his inspiration for *Purple Hearts* from his own experi-



Patrick Warburton chemistry and show-based second tension

ence in renting an apartment in San Francisco to a tenant who never had any intention of paying his rent. And Pye's outrage at being kicked out of the winged web of California's tenant laws built the script's edge with a greater note of advocacy. The couple's self-righteous lawyer spouts out the writer's message: "The net effect of these laws," she says, "is to protect any party-headed citizen who monopolizes your property and slowly drives you insane."

Despite its righteous puppet villain, *Purple Hearts* works best as an old-fashioned, pulp-questing entertainment. Former British doctor John Schmeinger holds the suspense with a practiced eye. And he draws his performances from his cast. In her first movie role since playing an apically noble secretary in *Working Girl* (1986), Griffith again acts with soaring restraint, providing an attractive balance of vulnerability and hardness. Modine has a less enviable role to her on-

pulse boyfriend, who responds to Carter's provocations with rampant outbursts of violence. The mercenary Skatone—acting in the

dark, slowly turning a razor blade in his finger—makes a consummate villain.

Purple Hearts is high on scrappiness. But it lacks both romantic chemistry and a sense of humor. It is hard to take the supposed passion between Patty and Drake seriously. Their house and their relationship have already been transformed into a living hell when Patty says, "Something's got to change. Drake. You and me and this place—it's just not working." The line is not supposed to be funny.

A much less conventional thriller, *After Dark*, My Sweet leans with passion, but the story is weak. The movie is based on a novel by American writer Jim Thompson, whose crime fiction (*The Getaway*, *Sweet Revenge*) has been enthusiastically appreciated by film makers since his death 13 years ago. American director James Foley, who also cowrote the screenplay, has adapted Thompson's tale from the 1950s to the present And, unlike most Thompson adaptations, he maintained the material to stylize the material.

At the heart of the movie is a deeply intriguing performance by the talented James Foley, who portrays Colin, an enigmatic and enigmatic patient who suffers a violent breakdown in a mental hospital. Drifting down a desert road

in southern California, Colin takes in a by Pap Olafsen World, an attractive widow who acts alternately loving and tender, as she gets drunk on red wine and walks around in frayed blue-jean cut-offs. She gives him a room and a job working on a vineyard date grove behind her house. Meanwhile, Ray is in a league with a small-time con man named Uncle Bud (Steve Dillard), who resembles Colin in a reckless plan to kidnap the son of a wealthy Palo Spang family.

While most thrillers thrive on a sense of impending physical danger, *After Dark*, My Sweet leans on the use of slow-burn sexual tension. The chemistry between Colin and Ray burns with doubt and suspicion. She counters his intelligence, he awakens her motives. And eventually they finally make love—a scene of rare emotional and erotic conviction—this relationship remains in limbo until the very end.

Although the movie's emotional tension is compelling, the story as a crudely executed in the kidnapping plot at its center. On paper, a slowly simmered sequence of improbable events can create an awe reality. Onscreen, the rugged edges of Thompson's fiction try out for a kind of cozy. After *Dark*, My Sweet requires the strange twist of the original thriller—a crazy tale with a dog's nose who is not half as crazy as the people around him. But the thrill is gone.

BRIAN D. JOHNSON



A madcap roundup of ludicrous events

BY ALLAN FOTHERINGHAM

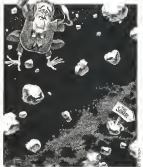
There seems a belief that our elected government has gone mad. Completely bonkers, incapable of governing. This is not really true, since the truth is not that of the Times alone. They see empty symptoms of a worldwide malady that is a global disease that is winning down reason and logic everywhere.

One might think that the spectacle of the sovereign government of Canada, in the year 1996, going so behind her to the Queen of a foreign country, across an ocean, to ask permission to pull off some nuptial ceremony is not so unparliamentary might appear rather unusual. Not to mention dangerous. Not to mention ludicrous. One would be wrong. There are plenty of examples in our universe that strike a familiar key.

Sir Anthony Meyer, 69, who gained great prominence in Britain last year when he became the first person to challenge Margaret Thatcher's leadership of the Conservatives, has just announced that he will not run in the next election after renouncing support for her in 24-year office with a single. In New Scotia, the new house of the pork-barrel trough, the new acting premier is named Roger Bacon.

Isabella Marcos, in early September, threw a lavish birthday party for her dead husband, Refused 250 guests. The former captain of Perseus Marcos was celebrated in said his widow ordered Majors Birthday to the corpse, who would have been 73 if he had been the live star turn rather than the dead one. Brian Mulroney presided as the co-chairman of the United Nations' first world summit on children, which is entirely appropriate considering the juvenile war Canada has appeared on the world stage lately.

In England, 54-year-old Barry Congdon, a former film producer and co-founder of the *Newsweek* Evening Edition, was charged of charges that he had led the annual parade with the wife of a \$100-million prize winner. His 64-year-old wife, a former librarian, testified that she was accused at least once she could have as a prostitute. She was alleged to have had sex with up to nine men a day after



setting up a vice den at her home in Spring Gardens, North Beckington, Southampton, Hants. She was overwhelmed by the response after she placed a note advertisement in a local paper, made some \$35,000 in two months and spent most of it on jewelry and booze-lure.

All men and their spouses can now fly to anywhere in Canada. All men are given 64 return flights a year—the theory being to allow men to continue between Ottawa and their ridings through even Ottawa's 100 quality, which is weird. Previously, only 20 flights could be taken anywhere in Canada. Now, an MP and a spouse can take 64 flights anywhere in the country.

Gary Hart, brought low by Denise Rice, is making a ton of money as a Minister in an adviser to telecommunications firms. Bill Vander Zalm says that his only sin is "stupidity" after he claimed that he didn't know he still had the controlling interest in his Fantasy Gardens

complex, which he pledged had been placed in his wife's name.

On Sept. 4, 75 members of Parliament, who were elected just six years ago, became eligible for lifelong pensions. At an inflation rate, the pension is 30 per cent of the annual salary of \$82,100. After 15 years, it goes to the maximum: 75 per cent of salary. The cost to the electorate for just those 75 MPs under the new plan could total \$30 million. Last year, pensions for 315 former MPs were only \$7.6 million.

It is revealed that top executives of Canadian Pacific Ltd. will get \$38 million in "golden parachutes" if there is a takeover. The company is obliged to repurchase executive homes, provide up to three years' earnings in severance payments, while also allowing the executives to keep their country club memberships and company cars. That was revealed in Washington because Canada has no laws to make such details public.

Brian Mulroney will come John Buchanan into the Senate because he is "sole under investigation," after taking out eight of his cabinet members who were secretly under suspicion of wrongdoing.

While most industrialized countries are placing out subsidies, the government of Canada is pushing to receive a product that, as the United States alone, is estimated to have killed 180,000 people. To protect just 2,600 jobs, 80 per cent of them in Quebec, Canada protects more subsidies than the Soviet Union. Ottawa is threatening to use the United States for having more subsidies. Worst of all, we export nearly half of our subsidies to the Third World, where, as expected, workers are unaware of its dangers.

New Scotia government documents show that the total cost of the Donald Marshall inquiry, held after he spent 11 years in prison for a wrongful murder conviction, will be more than \$6.6 million. Turns out that two Toronto lawyers who represented him, Cleopatra Italy and Marilyn Edward, billed the government for \$445,000. A third lawyer acting for him, Halton's Anne Derrick, got \$120,000. The Halifax law firm of McKinnon Cooper and Robertson, working for the inquiry, billed the government for \$648,000. Another Halifax firm, Stewart MacKinnon and Covert, which represented the detective who headed the botched investigation that put Marshall in prison, billed the government for \$552,300.

Donald Marshall, for his 11 years in the slammer, finally got \$275,000 in compensation from Ottawa and the provincial government. Some \$700,000 of it went in legal fees. The world is mad.

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